196

700472

CLERK'S COPY. Sup. Ct.

VOLUME II
TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1945

No. 74

THE UNITED STATES OF AMERICA, INTERSTATE COMMERCE COMMISSION, CONSOLIDATED FREIGHTWAYS, INC., ET AL., APPELLANTS

vs.

PIERCE AUTO FREIGHT LINES, INC., LOS ANGELES-SEATTLE MOTOR EXPRESS, ANGELO COLLETTI, PACIFIC MOTOR TRUCKING COMPANY, ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF OREGON

FILED MAY 14, 1945

1 *Plaintiffs' Exhibit No. 3*

Before The Interstate Commerce Commission

Docket No. MC 42487 (Sub. No. 15)

In the matter of the application, as amended, of Consolidated Freightways, Inc., of 2029 North West Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, over the following routes:

Route No. 1—Between San Francisco, Calif. and Medford, Oreg., via Arbuckle, Calif.

Route No. 2—Between San Francisco, Calif. and Klamath Falls, Oreg., via Arbuckle and Weed, Calif.

Route No. 3—Between the junction of U. S. Highway 40 with U. S. Highway 99W (West of Davis, Calif.) and Redding, Calif., via Marysville, Calif.

Route No. 4—Between Redding, Calif. and Lakeview, Oreg.

Route No. 5—Between Goshen, Oreg. and the junction of Oregon Highway 58 with U. S. Highway 97 near Crescent, Oreg.

Route No. 6—Between Marshfield, Oreg. and San Francisco, Calif., via Eureka and Santa Rosa, Calif.

MC 42487 (Sub. No. 18)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW Quimby Street, Portland, Oregon, for certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in

2 interstate in the States of California and Oregon, between San Francisco, Calif, and Ontario, Oreg., via Woodland, Williams, and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

Docket No. MC 42487 (Sub. No. 19)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW Quimby Street, Portland, Oregon, for certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Marshfield, Oreg.

Docket No. MC 42487 (Sub. No. 20)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Medford, Oreg., via Woodland, Williams, and Red Bluff, Calif., with alternate route via Sacramento and Marysville, California.

A more detailed statement of route or routes or territory is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

PORTLAND, OREGON,
July 8, 1940, 9 A. M.

Before Joint Board No. 11 composed of C. T. Terril, rep-
3 resenting the Public Utilities Commissioner of Oregon, and a representative from the Railroad Commission of California (not present).

Present, also, C. I. Kephart, Examiner for the Interstate Commerce Commission, Washington, D. C.

Met pursuant to notice.

Appearances

Donald A. Schafer, 2029 NW Quimby Street, Portland, Oregon, appearing for applicant.

C. E. Holbrook, 2029 NW Quimby Street, Portland, Oregon, appearing for applicant.

Fred C. Leibold, P. O. Box 3618, Portland, Oregon, appearing for applicant.

George M. Roberts, U. S. National Bank Building, Medford, Oregon, and Wm. P. Ellis, 917 Public Service Building, Portland, Oregon, appearing for Pierce Auto Freight Lines, Inc.; Butler Freight Service, 119 W. 4th Street, Eureka, California; Eureka-Garberville Truck Line, 119 W. 4th Street, Eureka, California; Intercity Transport Lines, 585 Bryant Street, San Francisco, California; Redwood Motor Freight, 147 N. Market Street, San Jose, California; Portland-Seattle Auto Freight, Inc., Arthur W. Lee and George V. Eastes, doing business as Lee & Eastes; Clay M. Sugg, doing business as K & L Truck Line, protestants.

Ware & Berol by Edward M. Berol, 235 Montgomery Street, San Francisco, California, appearing for Oregon-Nevada-California Fast Freight, Inc., intervener.

William B. Adams, 515 Pacific Building, Portland, Oregon, appearing for Oregon-Nevada-California Fast Freight, Inc., intervener.

Alfred A. Hampson, C. J. Young, and Paul P. Farrens, 800 Pacific Building, Portland, Oregon, appearing for Pacific Southwest Railroad Asociation, and Pacific Truck Express, protestants.

John M. Hickson, 1306 Yeon Building, Portland, Oregon, appearing for J. E. Walstrom, dba Central Transfer Co., Bandon, Oregon, protestants.

Henry T. Ivers, of Messrs. Lenihan & Ivers, 1405 Hoge Building, Seattle, Washington, appearing for Los Angeles-Seattle, Motor Express, Inc., protestant.

Thos. D. Jennings, 1001 S. E. Water Street, Portland, Oregon, appearing for Cascade, Inc., dba Cascade Fast Freight, protestant.

F. K. Hedges, 1001 S. E. Water Street, Portland, Oregon, appearing for Cascade, Inc., dba Cascade Fast Freight, protestant.

L. C. Jones, The Dalles, Oregon, appearing for The Dalles Traffic Association, intervener.

I. R. Perry, Grants Pass, Oregon, appearing for Medford-Crescent City Truck Lines, intervener.

O. J. Mitchell, 2814 S. E. 25th Street, Portland, Oregon, appearing for Mitchell Bros. Truck Lines, protestant.

5–7 PROCEEDINGS

Chairman TERRIL. The Interstate Commerce Commission has set for hearing at this time and place the application of Consolidated Freightways, Inc., of 2029 Northwest Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8 authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally in interstate commerce in the States of California and Oregon over six routes as more particularly described in the application and notice sent to all parties herein. That is Case No. MC–42487, Sub. No. 15.

Also the same applicant, Sub. No. 18, which is for the States of California and Oregon between San Francisco, California, and Ontario, Oregon, via Woodland, Williams, Red Bluff, California, with alternate routes via Sacramento and Marysville, California.

Also Sub. No. 19, in the States of California and Oregon between San Francisco, California, and Marshfield, Oregon.

And the same applicant, Sub. No. 20, which is in the States of California and Oregon between San Francisco, California, and

Medford, Oregon, via Woodland, Williams, and Red Bluff, California, with alternate route via Sacramento and Marysville, California. The matters are all assigned for hearing before Joint Board No. 11 consisting of representatives of the States of California and Oregon.

8 Do I hear any objection to the consolidation of all these matters for the purpose of hearing?

(No objection.)

And for a single report likewise?

Mr. SCHAFER. If the Board please, I would like to reserve that point until the end of the hearing.

Exam. KEPHART. That cannot be done. You must decide right now.

Mr. SCHAFER. I cannot what?

Exam. KEPHART. Decide right now.

Mr. SCHAFER. Whether there would be a single report?

Exam. KEPHART. There would be a single report in all events, but we don't want to duplicate testimony any more than is necessary.

Mr. SCHAFER. I see. Well, the point I had in mind was that one of these routes, the one from Marshfield to San Francisco bears no relation at all to the one which interests the principal protestants.

We are trying to keep the record separate with respect to the two routes, or with respect to that one. It may be difficult to do.

It occurs to me that it would be an injustice to make the protestants interested between Coquille and Bandon to buy an entire transcript in the whole case. I have tried to arrange the

9 case separately and if we do overlap, I would arrange to furnish him with any transcript reference which was put on out of order.

Chairman TERRIL. I don't think that it would be necessary for the man to purchase the entire transcript, anyhow, if you were going to devel'p your case by the territory served in each of these applications.

Exam. KEPHART. It would save a lot of duplication of testimony to have it all in the one record. That is the customary way that it is done.

Mr. SCHAFER. Well, if you say it can't be done any other way; I had an idea that I might possibly close the Marshfield San Francisco at the end of this hearing and not continue it in San Francisco.

Exam. KEPHART. That can easily be done.

Mr. SCHAFER. But it would have to wait for the whole case to come out, which might be a considerable length of time.

Chairman TERRIL. Is there just one sub that you want to develop separately?

Mr. SCHAFER. Yes. That was the Marshfield San Francisco—the 101; that is Sub. No. 19.

Chairman TERRIL. Would there be any objection among the protestants to develop the one for a separate report and consolidating the other three subs?

Exam. KEPHART. That is, are there any protestants to that application?

10 Mr. BEROL. As I have prepared my case on behalf of several protestants, it seems to me it would be facilitated greatly by keeping them all together. I see no particular distinction between the Coast route and the other routes. They all involve the same general principles and very many of the same carriers who are interested in the interior routes and are also interested in the coast routes directly or indirectly.

Exam. KEPHART. That is, that would be protestants to all routes?

Mr. BEROL. Yes; and joint protestants joined in by the Coast operators and other operators operating via Klamath Falls.

Chairman TERRIL. If that is the situation, I can see nothing to do but to consolidate the record on all four of the subs.

Mr. HICKSON. If the Board please, the protestants I represent are interested only in the Marshfield San Francisco phase of the case and I certainly don't want to be put in the position where I will have to buy a transcript here of maybe a thousand pages in order to write a brief on the part that interests us on the Coast.

Exam. KEPHART. You can buy partial transcripts.

Mr. HICKSON. But if the hearings are all consolidated, you might have testimony commingled and you might have to sit all through the record in order to know which part

11 applies to your phase of the case.

It seems to me you could take each part of the case by itself.

Mr. SCHAFER. We would expect it to be done that way during the case.

Mr. HICKSON. If it is possible to keep the testimony straight, I have no objection.

Chairman TERRIL. I think for our own benefit that we are going to have to take testimony on each of these separate applications so that we will be able to properly decide them.

Exam. KEPHART. We are going to ask that the applicant treat each one separately.

Mr. HICKSON. Are you going to have the applicant's testimony only on one particular phase of the case and then the protestants on that part of it?

Mr. SCHAFER. I would be glad to state the plan I have figured on and see how it coincides with your rules.

Chairman TERRIL. Very well, Mr. Schafer.

Mr. FARRENS. If the Board please, the parties that I represent here are holding all of the runs between Portland and San Francisco. It strikes me that if the Consolidated Freightways goes south of Medford or, in other words, goes south of San Francisco it doesn't make much difference to anybody hauling between Portland and San Francisco, what route between those two main
12 termini they follow. For that reason, I am very interested in seeing the case consolidated.

I appreciate the objection or the suggestion which Mr. Hickson made, that the separation of the testimony of the parts which would enable the persons interested mainly in one route to order a partial transcript would be advisable, but I can't see any reason for trying the cases separately.

Mr. SCHAFER. If the Board please.

Chairman TERRIL. Mr. Schafer?

Mr. SCHAFER. I think Mr. Farrens is basing his objection on a false premise, and that is that this would be a route from Portland to San Francisco. It will appear in developing the Marshfield San Francisco extension that it will stand on its own feet and that the schedule will not be such that it would be a through route—a practical through route. The plan I had figured on was that we would put on Subs 15 and 20, which is Klamath Falls and Medford, together, because most of these properties are principally concerned—even the ones operating through Medford—are concerned with the Klamath Falls extension.

The Lakeview San Francisco extension, Sub. 18, we have decided to restrict considerably. We are not going to ask for daily service over that route but to ask for its use only as an alternate route in the service of Lakeview.

We presently operate from Klamath Falls to Lakeview and our daily service into Lakeview in the event we are suc-
13 cessful here would be through Klamath Falls and the Redding-Lakeview route through Alturas would be purely an alternate route with no service to any community in between that we wouldn't be authorized to serve. We are not asking for any points on that line.

So that leaves the three subs closely related. The other one, Marshfield, is going to stand as I say, on its own feet. The witnesses will be purely local witnesses down there.

Exam. KEPHART. There will be certain testimony Mr. Schafer, that will be applicable to all routes and probably given by one witness. It seems to me the logical thing to do would be for the wit-

ness to take up each route and testify on it and then be cross-examined separately.

Mr. SCHAFER. I had planned on the testimony as to fitness and ability to apply to all routes so that that would not have to be duplicated.

Well, the Examiner knows best. I had hoped that that could be arranged that way.

Exam. KEPHART. It is customary that the reports embrace the whole subject rather than separate reports.

Chairman TERRIL. I think the ruling will be that the record will be consolidated and we will request of the applicant that it develop each of its subs separately so as to facilitate making the report and also for the benefit of any protestants in the matter.

14 Of course, certain general testimony will apply to all—fitness, willingness, and financial considerations and so on.

Mr. SCHAFER. In making the appearances, could the attorneys indicate which routes they are interested in—I think you will find they are all interested in the first three.

Exam. KEPHART. Well, they can make their appearances anyway.

Mr. SCHAFER. The case can't be split with the California witnesses and the Klamath Falls witnesses separately?

Exam. KEPHART. No.

Chairman TERRIL. All of these sub numbers, 15, 18, 19, and 20, are set for hearing before Joint Board No. 11, consisting of representatives of the States of California and Oregon; the State of Oregon being represented by C. T. Terril, Attorney-Examiner for the Public Utilities Commissioner of the State of Oregon; the representative of the State of California not being present.

Mr. C. I. Kephart, Examiner for the Interstate Commerce Commission, is present to advise the Joint Board and to assist in the development of the record.

Now, are all appearances in in these subs which I have named? If they are in, we will have the oral appearances, please.

Mr. SCHAFER. For the applicant, C. E. Holbrook and Donald A. Schafer, 2029 NW Quimby Street, Portland, Oregon,

15 appearing for Consolidated Freightways, Inc.; both named are attorneys and are admitted to practice before the Interstate Commerce Commission.

Chairman TERRIL. Who is appearing on behalf of protestants?

Mr. ROBERTS. George M. Roberts, U. S. National Bank Building, Medford, Oregon, and William P. Ellis, 917 Public Service Building, Portland, Oregon; both are attorneys at law and are admitted to practice before the Commission, appearing for Pierce Auto Freight Lines, Inc.

We expect to add further appearances during the course of the hearing. I am advised that I am authorized to appear for several other carriers but I don't have their accurate corporate names and I would rather add those to the appearances later.

Mr. A. C. Pierce of Medford, Oregon, president of the Pierce Auto Freight Lines, is also here appearing for Pierce Auto Freight Lines, Inc.

Exam. KEPHART. As a witness?

Mr. ROBERTS. He will be a witness in the case later.

Chairman TERRIL. You will be allowed to add other parties that you are appearing for at a later time, Mr. Ellis, unless they are serving in both capacities—as counsel and witness.

Mr. JENNINGS. Thomas D. Jennings and F. K. Hedges, 1001 SE Water Street, Portland, Oregon, appearing for Cascade, Inc., doing business as Cascade Fast Freight. We have both
16 been admitted to practice before the Commission.

Mr. IVERS. Henry T. Ivers, of Lenihan & Ivers, 1405 Hoge Building, Seattle, Washington. I am an attorney admitted to practice before the Commission, appearing on behalf of the protestant Los Angeles-Seattle Motor Express, Inc.

Mr. BEROL. Edward M. Berol, of Ware & Berol, 235 Montgomery Street, San Francisco, appearing on behalf of the Oregon-Nevada-California Fast Freight, Inc. We are both registered and practitioners before the Commission. We are appearing at this time as an interested party.

Exam KEPHART. As your interests may appear later, is that right?

Mr. BEROL. Yes; Mr. Examiner.

Exam. KEPHART. Appearing as an intervener.

Mr. PERRY. I. R. Perry, Grants Pass, Oregon, appearing in behalf of Medford-Crescent City Truck Lines, as our interests may appear. I am registered to practice before the Commission.

Mr. FARRENS. Alfred A. Hampson, Mr. C. J. Young, and Paul P. Farrens, appearing for Pacific Southwest Railroad Association and Pacific Truck Express.

Mr. Hampson and I are admitted to practice before the Interstate Commerce Commission. Mr. Young is making his application. Mr. Hampson and Mr. Young are not in the room at the present time but I anticipate that they will be before the hearing is over.

17 Mr. HICKSON. John M. Hickson, 1306 Yeon Building, Portland, Oregon, appearing on behalf of J. E. Walstrom dba Central Transfer Company, Bandon, Oregon. I am admitted to practice before the Commission.

Chairman TERRIL Are there any other appearances?

Mr. JONES. L. C. Jones, appearing for The Dalles Traffic Association. I am authorized to practice before the Commission. I am not in a position to state our position at the present time.

Chairman TERRIL. Are there any further appearances? We will suspend these matters for a few moments. I have one more to call for hearing at this time.

(Recess.)

Chairman TERRIL. Do I hear any objection to myself as representative of the Public Utilities Commissioner of Oregon, hearing this matter in the absence of the representative of the State of California?

Mr. BEROL. We have no objection.

Chairman TERRIL. We will then proceed with the hearing. Are you ready, Mr. Schafer?

Mr. KENDALL. I would like to present another appearance at this time.

Chairman TERRIL. Very well, Mr. Kendall.

Mr. KENDALL. John C. Kendall of the firm of Ridgeway,
18 Johnson, Kendall & Stephan, making the appearance at this time of Mr. A. E. Stephan, of our firm who is admitted to practice before the Interstate Commerce Commission, in behalf of Mitchell Brothers Truck Lines, O. J. Mitchell, doing business as that firm, and Pete Lubetich, doing business as Pacific Refrigerated Motor Lines as protestants in this hearing.

At the request of Mr. Stephan, who is unable to be here at this time, I desire to make a statement to the Board and to file a written statement calling the attention of the Board to the fact that the protestant O. J. Mitchell, Mitchell Brothers Truck Lines, has an interest in the present proceeding and the matter is called to the Board's attention that it withhold any final action in the matter of the two pending applications until and unless there has been a final determination of the exact extent of the rights of O. J. Mitchell, Mitchell Brothers Truck Lines, and Pete Lubetich, both of which have been presented to Joint Board No. 5 and are now pending final determination.

I have permission to file a petition prepared by Mr. Stephan, calling that matter formally to the Board's attention.

Exam. KEPKART. Is it correct that there is possibly some further hearing to be had in one or both of those cases?

Mr. KENDALL. My understanding is that Mitchell has requested further hearing at Portland and that he is before the Board on his application in Docket No. MC 35525. It has heretofore been heard in part by Joint Board No. 5 on October 22, 1938 and May 20 to 25, 1940.

The statement continues that Mitchell was prepared at
19 that time to complete his showing in the public convenience and necessity but owing to the shortness of the Examiner's intinerary was not able to do so.

The petition further states the extent of Mitchell's interest and it is requested that the Board withhold final action in the matter of the pending application until the Mitchell application can be finally determined.

The same applies to the case of Pete Lubetich, as set forth here in this statement.

Chairman TERRIL. Mr. Kendall, I do not believe that this can be received as an exhibit in the matter. However, it will be received and given an appropriate place in the docket in the consideration of this matter.

Mr. SCHAFER. If the Board please, I would like to resist any such motion to tie up this hearing with the rights of any other operators. These rights have been in litigation for four or five years now, and I don't know how much longer they will be. I think Mitchell probably is here and will want to testify and at that time the Board can make up its mind whether or not this proceeding should be tied to his in any way. I don't know whether Lubetich will be here or not. Do you know, Judge Kendall?

Mr. KENDALL. I couldn't tell you. Mr. Mitchell is here. Mr. Stephan states that he expected to be here but he is tied up in a hearing in Seattle that he says will take him all
20 this week.

Exam. KEPHART. Is Mr. Mitchell's case a grandfather application or an extension?

Mr. MITCHELL. Both.

Exam. KEPHART. Both?

Mr. MITCHELL. Yes.

Mr. KENDALL. Grandfather rights and extension rights, both.

Exam. KEPHART. What about Mr. Lubetich?

Mr. MITCHELL. Grandfather and extension rights.

Mr. KENDALL. I assume that is so, Mr. Examiner; I don't know.

Mr. SCHAFER. I might point out further that Consolidated will here be proposing to serve a territory considerably different than either Mitchell or Lubetich, either, do serve or propose to serve. If we are able to show public convenience and necessity, it certainly would be an injustice to the public to tie our application in with this mass of litigation that has been going on on the West Coast for years.

Exam. KEPHART. We didn't say that any recommendation of this Board would be delayed, but that this matter would be given due consideration.

Mr. SCHAFER. Thank you.

Mr. KENDALL. I assume that counsel is entitled to these matters of communications. I will leave it right here with
21 the reporter.

Mr. SCHAFER. Yes.

Exam. KEPHART. Mr. Schafer would undoubtedly like to receive a copy. The original will stay with the reporter for the record.

Mr. BEROL. Mr. Examiner, and Mr. Joint Board Member, may I ask—is this document that has been presented by Mr. Kendall to be made a part of the record?

Chairman TERRIL. No, sir.

Exam. KEPHART. It will go in the docket along with all other petitions that are received in the case—in the docket.

Mr. BEROL. Well, as long as it is not going into the record, that is all right.

Mr. HICKSON. May I ask, has this petition been filed with the Interstate Commerce Commission which is being presented to the Board?

Exam. KEPHART. It will go back and be incorporated in the docket.

Mr. HICKSON. In Mitchell's docket?

Exam. KEPHART. No; in this docket, along with the other petitions filed in this case.

Mr. HICKSON. Has this petition been filed with the Interstate Commerce Commission?

Exam. KEPHART. It is being filed right now, Mr. Hickson.

Chairman TERRIL. That was the only purpose in receiving it was to incorporate it in the docket in this matter.

22 Exam. KEPHART. Off the record.

(There was some discussion off the record.)

Chairman TERRIL. Mr. Kendall will prepare a new front sheet for this document and a separate document will be substituted at the proper time.

Exam. KEPHART. And he will change it from Joint Board 5 to Joint Board 11 and later in the day the substitution will be made.

Chairman TERRIL. You may proceed.

Mr. SCHAFER. I will call Mr. Weisler.

L. F. Weisler was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your full name to the reporter.

A. L. F. W-e-i-s-l-e-r [spelling].

Q. You are employed by Consolidated Freightways?

A. Yes.

Q. In what capacity?

A. As commercial agent.

Q. What experience have you had in transportation, Mr. Weisler?

A. I have had approximately 10 or 12 years experience as superintendent of the transportation office of Southern Pacific; 10 years with the traffic department of the Ford Motor Company and
23 about a year and a half with Consolidated Freightways.

Q. And you are familiar with the application which is presently before the Commission?

A. Yes, I am.

Q. And you have done considerable work in the preparation of the case?

A. Yes; I have done considerable work.

Q. And are you generally familiar with the present service of Consolidated Freightways?

A. Yes; I am quite familiar with their operation.

Q. I will hand you a map and ask you if that isn't marked to show the routes which are applied for in this proceeding?

Mr. ADAMS. Has that been identified?

EXAM. KEPHART. That will be applicant's Exhibit No. 1.

(Exhibit 1, Witness Weisler, marked for identification.)

The WITNESS. This is a map showing the scope of the operations on the proposed routes of Oregon points into California which have been marked in blue pencil.

Exam. KEPHART. Do these red lines indicate the rights that this applicant now has under the decision of the Interstate Commerce Commission, MC–42487 including Sub. No. 1, decided January 11, 1939, 11 M. C. C. 131?

Mr. SCHAFER. I will state for the witness that this includes those rights and some others which are the result of acquisitions.

24 By Mr. SCHAFER:

Q. How are the present operations of Consolidated Freightways indicated on that map, Mr. Weisler?

A. They are indicated by red lines.

Q. Now, please describe the service which Consolidated will render between San Francisco and the points affected by this application, if the permission from the Interstate Commerce Commission is granted.

A. I would give just the operation from the points in Southern Oregon which I now serve into San Francisco. This service will extend over Oregon Coast Highway 101 from Marshfield and Coquille, Oregon, to San Francisco, and from Medford, Oregon, over Highway 99, going south, and 99W and 99E to Sacramento and over U. S. Highway 40 to Oakland and San Francisco. From Klamath Falls south over U. S. Highway 97 to Weed and from

Lakeview, Oregon, to Alturas, California, over U. S. Highway 395 and from Alturas to Redding via U. S. Highway 299.

It will tie in at Redding with Highway 99, and south over 99E and 99W to Sacramento and thence into San Francisco over U. S. Highway 40.

It will also extend from Goshen, Oregon, over Willamette Pacific Highway, Oregon Highway No. 58 to the intersection of that highway and The Dalles California Highway 97 approximately 10 miles south of Crescent City.

Chairman TERRIL. You don't mean Crescent City.

The WITNESS: I mean Crescent, Oregon—the town of
25 Crescent, Oregon.

Exam. KEPHART. And that movement, apparently that is in conjunction with your present operation going from Klamath Falls?

The WITNESS. That is right.

Mr. SCHAFER. I would like to offer Exhibit No. 1 in evidence.

Chairman TERRIL. It will be received and marked as "Applicant's Exhibit 1" in this matter.

(Exhibit 1, Witness Weisler, received in evidence.)

By Mr. SCHAFER:

Q. I hand you, Mr. Weisler, what is entitled as a service schedule, and ask if you will—I will ask first that it be identified.

(Exhibit 2, Witness Weisler, marked for identification.)

By Mr. SCHAFER:

Q. Will you please explain this for the record?

A. This is a time and service schedule. It bears reference to points in——

Mr. FARRENS (interposing). If the Board please, if the witness will wait until these exhibits are distributed, so that we can see what he is talking about.

The WITNESS. Yes; surely.

Mr. SCHAFER. I think you may proceed with your explanation, Mr. Weisler.

The WITNESS. This is a time and service schedule containing reference to all points proposed to be served, as well as
26 intermediate points. There are some smaller intermediate points that we couldn't put in here, but we put in the major points along the routes.

The first few pages contain the index. From page 10 on contains a geographic list of points to be served. That continues on through to page 23 inclusive.

By reference to any one of those points, you will note that we have shown first the index number for identifying the stations

and the names of the points, the distance from San Francisco, north-bound. It shows under the column headed "Service" whether daily service or on call service will be furnished.

In the next two columns it shows routes or highways over which freight would move and then there is a column provided for notes. There are a few notes in there—chiefly certain restrictions in our existing service.

Section 2 of this schedule shows the present time in transit of freight between certain head line points and side line points; that part of it is self-explanatory.

27 We have shown on the last page of this exhibit—page 33—a key to or an explanation to the abbreviations.

In this schedule, as I explained, we show the present service and then a proposed service. Generally speaking, the present service refers to our own service as well as that of other motor carriers, generally speaking.

Mr. SCHAFER. I would like to offer in evidence applicant's exhibit No. 2.

Mr. ADAMS. May I ask that the ruling on that be deferred until the protestants have had an opportunity to cross-examine the witness on this exhibit?

Chairman TERRIL. I think that could be done, Mr. Adams.

By Mr. SCHAFER:

Q. Now, in your preparation of this exhibit, have you had occasion to make a survey of the tonnage moving between California points and the points on Consolidated Freightways in the Northwest?

A. I have made an analysis of the tonnage moving over our own lines in the last few years. I have also made a study of steamer service. In addition to that, I have contacted frozen food shipments and I find that their business is growing steadily and substantially.

Q. Now, what was the nature of your survey as to the volume of business presently moving between the points in California and points on Consolidated Freightways?

A. Points in California and points in Oregon?

28 Q. Yes; Oregon and Washington.

A. In recent months—and I might say most of the year of 1939—the north-bound tonnage has been approximately 110,000 pounds a day. The south-bound has been somewhat less than that.

Q. Now, how is that business presently handled?

A. That business at present is handled in connection with the Oregon-California Fast Freight to Medford, where it is interchanged with us; both north-bound and south-bound freight.

By Exam. KEPHART:

Q. Is that the correct name of your connecting line?

A. Oregon-Nevada-California Fast Freight, Inc., is the correct name.

Q. Yes.

A. Also some of that freight is interchanged at Klamath Falls, Oregon; particularly freight moving to or from points in Eastern Oregon—to or from points in California.

By Mr. SCHAFER:

Q. Now——

A. (Interposing.) Freight to and from Oregon coast points clears through Medford.

By Exam. KEPHART:

Q. No interchange with other lines—Grants Pass?

A. No; it is handled over Consolidated from Oregon coast points to Roseburg over our own lines and then over our own lines from Roseburg to Medford.

By Mr. SCHAFER:

Q. Now, I hand you, Mr. Weisler, a schedule
29 of steamer sailings and ask if that was prepared by you?

A. Yes; I prepared this.

Mr. SCHAFER. May this be given a number, please?

(Exhibit 3, Witness Weisler, marked for identification.)

By Mr. SCHAFER:

Q. Will you please explain that exhibit, Mr. Weisler?

A. This exhibit is a statement showing comparison of the number of north-bound coastwise steamer sailings handling carload and less than carload general commodities between the San Francisco Bay area points located along the north Pacific Coast during the years 1934 to 1940, inclusive.

The figures show the total sailings for the first week in April for each year as indicated in the Guide—a daily marine publication published by the Guide Manufacturing Company in San Francisco.

Q. Do you have these publications from which this was prepared, with you, in the hearing room?

A. I have the publications from which that information was compiled.

I might state that the shippers, from the San Francisco Bay area as well as in Seattle and Portland, follow this guide quite closely in routing freight or checking steamer schedules, and it is quite accurate.

I have shown on this statement, to the best of my knowledge, every carrier who has been in the field since 1934, and up
30 to date.

The letters A, B, C, D, E, F, and G are explained down below. In other words, the digits or numerals listed under the letter A refer to sailings to and from Seattle.

The letters N and S refer to north-bound and south-bound sailings.

Down at the bottom of the page we show the total number of sailings per week by ports—both north-bound and south-bound.

The last entries on that sheet show the grand total sailings per week, both north-bound and south-bound.

From this statement you will note, for instance, the first week in April 1934, there were a total of 18 north-bound sailings. Of course, every ship that comes north, or generally speaking, it goes south, but it may not have gone south that same week which accounts for the variation in the number of north-bound and south-bound sailings.

Those sailings have decreased gradually for various reasons over the past few years until the first week in April 1940, and the same thing applies today, there were only six north-bound sailings from San Francisco to Portland, Seattle, and so on, and south-bound there were eight sailings.

Now, these vessels carried a tremendous amount of freight which has now been diverted to other channels. That is an example of the decrease in the number of sailings which would indicate the volume of business which has been diverted from
31 ships to other channels.

Q. About how many truckloads of freight would you say is accounted for by the average steamer movement between California points and northwest points?

A. It would be difficult to say; except that a large amount of that freight is carload and a large amount of it is L. C. L. freight. I would say that those vessels would take anywhere from 15 truckloads up to 300 truckloads.

Mr. SCHAFER. I am offering applicant's exhibit No. 3 in evidence.

Chairman TERRELL. Is there any objection?

(None.) If not, it will be received as applicant's exhibit No. 3.

(Exhibit 3, Witness Weisler, received in evidence.)

By Mr. SCHAFER:

Q. Now, I will hand you a statement regarding frozen fruit production in Oregon and Washington, and I will ask if that was prepared by you?

A. Yes; I prepared this.

Mr. SCHAFER. May this be given a number, please?
(Exhibit 4, Witness Weisler, marked for identification.)

By Mr. SCHAFER:

Q. What was your source for the information contained on that exhibit?

A. The source of the information contained in this exhibit is on page 208 of Western Cannery Packer, their 1940 year book.

I have a copy of that 1940 year book here—the Western
32 Cannery Packer.

Q. You needn't read from it unless requested to do so, Mr. Weisler.

Now, what does the exhibit purport to show?

A. The exhibit shows a steady increase in the frozen pack industry in the States of Oregon and Washington from the years 1927 to 1939. This includes—well, the statement shows what is included in that pack. The source of the data is compiled by Western Cannery Packer, this publication, from individual packers' reports.

Q. Do you have some further explanation?

A. Well, the lower half of this sheet of this exhibit shows the vegetable pack which also shows a steady increase.

Mr. SCHAFER. I am offering applicant's exhibit 4.

Mr. JONES. May I have, for the record, where this magazine is published?

The WITNESS. This magazine is published in San Francisco.

Chairman TERRIL. It will be received and marked, applicant's Exhibit 4.

(Exhibit 4, Witness Weisler, received in evidence.)

Mr. SCHAFER. Now, I hand you another survey, Mr. Weisler. Will you explain what that is, and what it purports to show; I will first ask that it be given a number for identification.

(Exhibit 5, Witness Weisler, marked for identification.)

By Mr. SCHAFER:

Q. Was that prepared by you, Mr. Weisler?

A. Yes; it was.

33 Q. What was the source of your information?

A. The source of the information was a frozen foods directory which is published in New York—New York City.

Q. What does this exhibit show?

A. This exhibit shows a climb or an increase in the production and consumption of frozen foods over the nation.

The graph at the bottom of this sheet shows a steady and a substantial increase from 1936 of 200,000,000 pounds to over 500,000,000 pounds in 1939. The 1940 figures aren't available. This is

the latest issue of the publication which I have here, if anyone would like to see it.

Mr. SCHAFER. I am offering applicant's Exhibit No. 5.

Mr. IVERS. I object to it as incompetent, irrelevant, and immaterial and being merely speculative. The person is not present for cross-examination.

The WITNESS. Well, that may be true but——

Mr. SCHAFER (interposing.) I will submit without argument.

Mr. IVERS. And it is beyond the issues of the instant matter because it purports to deal with the national production and distribution.

Mr. SCHAFER. I have no argument on the objection.

Exam. KEPHART. Mr. Weisler, did you say these data came from a recognized official publication?

The WITNESS. These figures are about as complete as could be obtained from any source by any publication, as far
34 as we know. It sounds quite authentic to me.

Exam. KEPHART. Who are the publishers?

The WITNESS. Frozen Foods Directory.

Exam. KEPHART. A certain number of companies are included?

The WITNESS. This shows the annual pack from 1937 to 1938 and 1939, inclusive. It shows a reference to every frozen food packer that this publication apparently could know any record of all over the country. It shows their production for the three-year period.

Chairman TERRIL. It will be received for what it is worth.

(Exhibit 5, Witness Weisler, received in evidence.)

Mr. IVERS. Just a moment. In view of the policy between the Board and the witness, I want to call attention specifically to the fact that this exhibit does not purport to contain only statistics, but it contains the obvious opinion of some person written in this publication, not statistical in any way as to a prediction of what will occur in the future.

Chairman TERRIL. Would you care to attach the copy of the publication to the original exhibit?

The WITNESS. Yes.

Mr. SCHAFER. We would be glad to do that.

Chairman TERRIL. It will be received and given such con-
35 sideration as it deserves. It is marked as applicant's exhibit 5 in this matter.

By Mr. SCHAFER:

Q. Can you state what steps Consolidated Freightways has taken to keep pace with the frozen foods industry?

A. About a year ago Consolidated inaugurated a refrigerated service with well insulated, thermostatically controlled mechanical refrigeration units for handling frozen fruits and vegetables and fresh meat, dressed poultry, and so on.

Q. Is that equipment adapted for the handling of general commodities not under refrigeration, also?

A. That equipment is adapted for general commodities, because when you handle general commodities not requiring refrigeration, the mechanical refrigerating plant is simply shut down.

Mr. SCHAFER. May I have an off the record discussion for a moment, please?

Chairman TERRIL. We might recess for about three minutes.

(There was some discussion off the record.)

Chairman TERRIL. We will wait a few minutes before we recess, I guess.

By Mr. SCHAFER:

Q. Have you made any survey of the tonnage moving out of the Marshfield area into San Francisco?

A. Yes; I have. These months for the records that I checked, I found that we handled slightly over 20,000 pounds a day.

Mr. HICKSON. What was the commodity?

The WITNESS. General commodities and dairy products
36 and lumber products.

By Mr. SCHAFER:

Q. How is that routed?

A. That freight moves over Consolidated Freightways to Roseburg where it is transferred to other Consolidated equipment from Roseburg to Medford; at Medford it is transferred to Oregon-Nevada-California Fast Freight.

Mr. BEROL. In order that the record may be clear, is that Roseburg or Medford—it is Medford, isn't it?

The WITNESS. Yes; transferred to Oregon-Nevada-California at Medford.

By Mr. SCHAFER:

Q. Referring again to Exhibit No. 2, Mr. Weisler, can you state from that, for instance, what service you propose to have between Baker and San Francisco—Baker, Oregon?

A. From Baker, Oregon, freight—going south-bound now—freight would move over Consolidated Freightways to Portland, where it could be transferred to a through truck moving from Portland to San Francisco for second morning delivery in San Francisco from Baker.

Q. And in other directions, what service would you have from San Francisco to Baker?

A. From San Francisco to Baker would be second morning delivery in Baker.

Q. Does Consolidated Freightways give a comparable service between the San Francisco Bay area and Southern Idaho points?

37 A. Consolidated gives second morning delivery in Boise for freight originating in San Francisco and Bay area points.

Q. How do the mileages compare?

A. The distance from San Francisco to Boise via Winnemucca and Wells, into Boise, is 838 miles; that is via Twin Falls. And the distance from San Francisco to Baker over the route we propose to travel is 892 miles.

Q. How about service to points west of Boise, such as Caldwell and Nampa and such towns—is that correspondingly farther via Twin Falls—is it not?

A. Caldwell is approximately 30 miles west of Boise and we give second morning delivery in Caldwell on north-bound shipments from San Francisco.

Q. Does Consolidated Freightways haul livestock at the present time?

A. Livestock is the source of a valuable back haul for us and we handle livestock from Eastern Oregon points and Nevada—make that Idaho points into Portland.

Q. Do you haul livestock in all types of your equipment?

A. We handle livestock in what we call livestock equipment—especially designed equipment for the purpose.

Q. How are those trucks cleaned after using them—do you use them for general commodities on the return trip?

A. We handle general commodities on the return trip in this equipment—and the equipment, after we handle livestock
38 in it, is taken to the city dump, where the refuse is taken out of it and then the equipment moves to our wash racks where it is thoroughly cleaned with boiling water and an alkali solution under about 400 pounds pressure; and then the equipment is set in the sun where it dries out to permit handling general commodities.

Q. Is there any sun in San Francisco?

A. I would say that there is.

Mr. BEROL. I wonder if the witness was talking about Portland?

Exam. KEPHART. He didn't say anything about livestock to San Francisco, did he—he said Portland only.

Mr. BEROL. I was wondering if there was any sun in Portland, under those conditions.

By Mr. SCHAFER:

Q. What is the practice of Consolidated Freight with respect to loading freight through to destination?

A. We load practically 95% of our freight through to destination to eliminate mauling over that freight or handling it at

way or intermediate points where way or intermediate freight may be taken on or discharged.

Q. Why do you do that?

A. To eliminate handling the freight. It eliminates damages, extra handling and costly handling. It also speeds the schedules.

Q. Have you had occasion to observe how the handling
39 of the present volume of 110,000 pounds average, I believe you said, north-bound from California—how that works out, rehandling it?

A. Through the present set-up at Medford, transferring say 110,000 pounds of freight a day, necessitates a lot of extra manpower at our station in unloading, checking and reloading this freight.

By Exam. KEPHART:

Q. Is all of this interchange freight unloaded and reloaded at Medford or Klamath Falls?

A. About a year ago we started handling some of this freight in through trailers, in connection with the Oregon-Nevada-California Fast Freight.

Q. Did you operate under any kind of a per diem agreement or anything of that kind?

A. I am not familiar with what sort of an arrangement it is, but I know that the trailers do run through between Portland and San Francisco in both directions.

Mr. SCHAFER. If the Examiner please, I have a later witness who can answer that question.

Exam. KEPHART. Yes. We need not go into it at this time.

The WITNESS. Well, from my observation, the volume of this movement has grown so that recently it is practically impossible to give satisfactory service. In my experience in freight transportation, which is railroads and as an industrial traffic man,
40 I have never seen a similar situation. It is just an economic waste for these two carriers to rehandle that volume of freight at the halfway point.

We thought we could handle it by interchanging trailers, but the difficulties in that respect will be covered by another witness.

By Mr. SCHAFER:

Q. What dispatching difficulties, if any, are involved in this transfer?

A. Well, I have prepared a statement which will give an idea of the difficulties experienced in transferring freight.

Mr. SCHAFER. I have that statement here. May it be given a number for identification, please?

(Exhibit 6, Witness Weisler, marked for identification.)

By Mr. SCHAFER:

Q. Will you explain this exhibit, please, Mr. Weisler?

A. Well, this exhibit is a spot check, and shows how difficult it is for us to handle or to have the right amount of equipment on hand for Oregon-California Fast Freight northbound arrivals.

We either have too much equipment, which means wasteful dispatching, or we have too little equipment, which means delay of the freight.

In other words, our connection wires us daily the amount of tonnage north-bound for which we should have equipment at Medford.

In the second column there—in the first column we show the tonnage they wired us we would receive on the days
41 indicated. The next column indicates the amount of tonnage we actually received. Therefore, if we should have abided by the information we got from them, we would have an over supply or an under supply of equipment as shown in the last two columns.

With an under supply of equipment, it means that we have to arrange—to try and arrange for additional equipment or else the freight is delayed, which inconveniences the consignees.

Q. Is this exhibit prepared from the daily reports furnished by the Medford dispatcher?

A. This is furnished from reports and records which our Medford dispatcher keeps.

Q. Do you keep those reports in the ordinary course of your business?

A. Yes; that is right.

Exam. KEPHART. I wonder if those two dates of May 15 and 16 should be reversed or is that correct as it stands?

The WITNESS. That is correct as it stands. They are in the wrong order there, but the dates are correct.

Mr. SCHAFER. I will offer exhibit No. 6.

Mr. FARRENS. Before that exhibit is received, I would like to ask this witness if this exhibit is a list of all of the substantial instances of information between 4-30-40 and 7-1-40?

The WITNESS. I will say that it is a spot check.

42 Mr. FARRENS. What do you mean by a spot check?

The WITNESS. Taken at random. It is typical. It would be difficult to get the information for every day. It could be had, but it is about the same as this.

Exam. KEPHART. Would you say these data are representative or complete?

The WITNESS. I would say they were representative.

Mr. FARRENS. Would you say that the report for the entire period would show as great an amount of information on the average daily as this exhibit?

The WITNESS. I didn't check every day. I wouldn't say definitely.

By Mr. FARRENS:

Q. How can you say whether this is representative if you haven't checked it daily?

A. I didn't check every day, but that is my general understanding, is that it is typical.

Q. From whom did you get that understanding?

A. From our station employees at Medford.

Q. Who made this exhibit?

A. I made it.

Q. From what?

A. From records kept at the Medford station.

Q. Where did you make it?

A. Where did I make this?

Q. Yes.

43 A. Part of it was at Medford and in Portland.

Q. That portion from Portland which you made from Portland, where did you get that from?

A. I asked our station agent at Medford to send me information.

Q. Part of it was sent to you from Medford?

A. Part of it I got from Medford and I had him send the balance of it to me in Portland.

Q. What part did you get in Medford?

A. Well, I can't say exactly. I have been in Medford a number of times.

Q. Did you get as much as 50% of this information in Medford?

Mr. SCHAFER. If the Examiner please, if we are going to have a long argument over this little exhibit, I will not insist upon offering it.

Mr. BEROL. I was going to say, when Mr. Farrens gets through, the argument isn't over.

Exam. KEPHART. I don't think it is necessary to argue this point, gentlemen. It is taken in the routine order of business.

Mr. FARRENS. I am asking questions about the exhibit, but if counsel wishes to withdraw his offer, I will cease.

Mr. SCHAFER. I will not insist upon offering it. I believe the witness has explained what it purports to show, which is evidence of itself.

Mr. IVERS. Are you withdrawing the offer at the present
44 time?

Chairman TERRIL. I think that the Board would like to have this information before it, and we will receive it right now without any further argument in the matter.

Mr. FARRENS. You will give us a chance to make an objection, won't you, before you act?

Chairman TERRIL. I thought you made your objection, Mr. Farrens. Excuse me.

Mr. FARRENS. I have done nothing but ask the witness questions so far, and I haven't——

Exam. KEPHART. (interposing). All right, Mr. Farrens.

Chairman TERRIL. Strike the ruling.

Mr. FARRENS. Can you say that as much as 50% of the information which was shown on this proposed exhibit was received by you from the agent at Medford?

Exam. KEPHART. I don't think that can be estimated, Mr. Farrens; don't they receive the regular reports from their agents and compare it?

Mr. FARRENS. Well, we will find that out.

Mr. SCHAFER. Just to save time, I will withdraw the exhibit.

Exam. KEPHART. I don't see why you have to withdraw it. What is your hurry, Mr. Schafer?

Mr. SCHAFER. We are going to have a long case and it may run into night sessions.

45 Exam. KEPHART. It will not be very long.

Mr. SCHAFER. I will offer Exhibit No. 6 right now.

Mr. FARRENS. I object to the introduction of this exhibit in evidence upon the ground that part of it as shown by the testimony of this witness, is hearsay; that part of it is based on information forwarded to him by the agent at Medford who is not present nor available for cross-examination.

And in connection with that exhibit, I think that it would be possible for the Commission to be given, by this applicant, the complete information he has covered, approximately a two-months period, in which there are approximately 60 days. In order to remove the doubt from the situation, I think that fairness would require this applicant to furnish that 60-day record rather than an alleged spot check.

Mr. SCHAFER. We are agreeable to furnishing such a record.

Exam. KEPHART. Does the Portland office receive any regular reports from its agents such as the one at Medford?

Mr. SCHAFER. Can you answer that, Mr. Weisler?

The WITNESS. I can't answer that.

Exam. KEPHART. Can anyone answer that who is going to testify?

The WITNESS. I dare say that——

Mr. BEROL. (interposing). Now, just a minute, I don't think we are interested in what this witness "dare say." He has just indicated that he can't answer the question.

Exam. KEPHART. Is there any other witness who can
46 speak a little more authoritatively as to the routine operations here?

The WITNESS. We don't have a witness here who kept this record or who is entirely familiar with Oregon-Nevada-California Fast Freight arrivals. He isn't in Portland.

Mr. SCHAFER. We will agree to furnish a daily record of that sort at the San Francisco extension of this case.

Chairman TERRIL. Let's allow this to remain in the record for identification only, then, and to be supplemented at the proper time in this matter.

Mr. BEROL. With the understanding that it is being marked at this time only and not being received.

Chairman TERRIL. That is correct.

Mr. HICKSON. Now, if the Examiner please, I would like to know what is going to happen to the protestants who will not be in San Francisco in this case.

Chairman TERRIL. The San Francisco hearing will be a part of this general matter.

Exam. KEPHART. Protestants may put in their own testimony.

By Mr. SCHAFER:

Q. Aside from dispatching difficulties which you have stated are caused by the inability to determine in advance exactly the amount of tonnage that is going to be on hand at Medford at a given time, do you have any certain schedules of arrival that you can depend upon with respect to Oregon-California Fast Freight schedules arriving at Medford?

47 A. Their arrival——

Mr. BEROL. (interposing). May I have that question? I am sorry. I wasn't paying attention.

Chairman TERRIL. Read the last question.

(Question read.)

Mr. BEROL. The question is objected to upon the ground that no proper foundation has been laid.

Mr. SCHAFER. Let me hand the witness a statement here in the form of that exhibit.

By Mr. SCHAFER:

Q. Mr. Weisler, I hand you a statement detailing arrival times at Medford and will ask if you prepared that and, if so, from what source and please explain the information contained thereon.

A. I prepared this exhibit from information furnished by our records kept from day to day at Medford. I would say that their arrivals are not regular. They are irregular—arriving anywhere from—well, let's see—about ten and eleven a. m. to as late as from three o'clock up to 7 and 8 p. m.

This exhibit bears the date March 26 to April 30 and I believe that every day is represented there except possibly Sundays and holidays. The number of entries there represent, under each day, where we have three or four or five entries, it shows the arrival of a truck in the first column and the arrival of a trailer in the second column and in the third column is the elapsed
48 time between the arrival of the truck and the trailer.

Now, in California, due to length and weight limitations, larger equipment is operated than is operated in Oregon. I believe you can handle 68,000 pounds in California and 54,000 in Oregon, with the result that Oregon-Nevada-California Fast Freight equipment, which they operate in California, cannot be brought into Oregon; consequently, they drop the trailer at the Oregon state line and bring the truck on into Medford and then dispatch a tractor to the state line to tow in the trailer. That explains the difference in the arrival between the truck and the trailer.

Q. You are not attaching any particular blame to Oregon-Nevada-California for this circumstance, are you, Mr. Weisler?

A. No; I don't know what their problems are.

Q. You don't know that Consolidated could do any better, do you?

Mr. BEROL. I would like to know the answer to that.

Mr. SCHAFER. I asked him if he knew.

The WITNESS. I don't know.

Mr. SCHAFER. It is not our position to throw any mud at Oregon-California. We are just showing an inconvenient circumstance.

Mr. BEROL. I don't care what you call it; a question has been asked and I would like to have an answer.

Mr. SCHAFER. Do you know?

49 The WITNESS. Well, I don't know, but I would say yes.

By Mr. SCHAFER:

Q. Yes, what?

A. Yes: that we could arrive in Medford more consistently.

By Exam. KEPHART.

Q. More regularly?

A. Or more regularly.

Mr. SCHAFER. May this exhibit be given a number, please?

(Exhibit 7, Witness Weisler, marked for identification.)

Mr. SCHAFER. I offer applicant's exhibit 7.

Mr. ADAMS. We ask that the ruling on the offer be deferred until we have had an opportunity to examine the witness on this exhibit.

Chairman TERRIL. It will be received as applicant's Exhibit No. 7 but ruling on its receipt will be deferred.

By Mr. SCHAFER:

Q. In what way, Mr. Weisler, does this spread of arrival time affect your difficulties at Medford—the situation, generally?

A. Well, naturally, when this freight must be transferred, we have a station crew which must be called to work to handle this freight.

The irregularity and the lack of information as to when this freight will arrive from the south increases the cost of handling freight because we have a crew on hand there at all times and you are not getting the maximum of production from your dock crews.

You might anticipate your arrival at ten o'clock in the
50 morning and have a truck there, and some of the trucks don't arrive until three or four or five o'clock and the crew isn't busy, and yet their pay goes on.

Furthermore, this constant uncertainty of arrivals spoils the regularity of the service north-bound from Medford. In other words, our equipment leaves Medford quite late in the evening and misses connections along the way up to Portland where freight must arrive in Portland in sufficient time to be transferred to our equipment operating beyond Portland.

When we don't get out of Medford in time, we stand to miss connections in Portland.

Q. Have you made any study as to the population of the territory which is involved in this application?

A. Briefly, yes, I have. The population of the State of Washington, according to the 1930 census, which I believe are the latest figures available—that population is approximately 1,600,000. In the territory of the State of Washington, east of the Cascade Mountains, all of which will be directly affected by this service, it is approximately 365,000.

In Oregon the population in 1939 was 953,000. There are 130,000 in the eastern part of the State—east of the Cascade Mountains, that are affected by this service.

Those figures that I have given on the population are in the towns and along the routes and in the countries of points through which we operate our own equipment on our own lines. Does that answer your question?

51 Q. Do you know roughly the population of the San Francisco Bay area?

A. Roughly, the population of the San Francisco Bay area is two million.

Mr. BEROL. I would say you are more optimistic than the San Francisco Chamber of Commerce.

Mr. SCHAFER. I will accept Mr. Berol's figure. What is your figure, Mr. Berol?

Mr. BEROL. We will make it less than that—say one and one-half million.

By Mr. SCHAFER:

Q. What is Los Angeles, just roughly, if you know?

A. It is larger than San Francisco—I would say two million. That includes metropolitan Los Angeles.

Chairman TERRIL. Are you sure that you haven't overlapped between the city limits of San Francisco and Los Angeles [laughter].

By Mr. SCHAFER:

Q. Now, approximately how many people will benefit from the saving in time east of the Cascade Mountains; by that I mean people who are not located on the lines of the operators presently operating between Seattle and Los Angeles and San Francisco, down U. S. Highway 99?

Mr. IVERS. I object on the ground that the question assumes facts that are not in evidence in this case.

By Mr. SCHAFER:

52 Q. I will ask first, what benefit will be received by the population east of the Cascade Mountains in Oregon and Washington, as compared to the preesnt service?

A. As compared to the present service to those points I have mentioned, we propose to give a 24-hour faster service than now is available.

Mr. HICKSON. Now, is the witness confining his testimony to the 99 route or is he taking in U. S. Highway 101?

Mr. SCHAFER. East of the Cascade Mountains, do you mean to say?

The WITNESS. No; he asked me a question.

Mr. HICKSON. The question is, what benefits the people east of the Cascades would receive from the service. Now, I want to know what service you are talking about.

The WITNESS. I think Mr. Schafer explained at the outset here that the routes via Medford and Klamath Falls were closely related.

Mr. SCHAFER. I might say, further, that the service schedule which we offered, but which has not yet been accepted in evidence, contains all of this savings in time data. It shows our present

service and the service which we propose to give, one compared to the other.

Mr. HICKSON. Are you contending now that by using U. S. Highway 101 to San Francisco, between San Francisco and Marshfield, that you will give the people east of the Cascade Mountains better service than they are getting now?

53 The WITNESS. We don't contemplate operating over that route to serve these points mentioned.

Mr. HICKSON. I am not interested in what you are contemplating now. I want to know if you are making that claim.

The WITNESS. Making that claim?

Mr. HICKSON. Yes.

The WITNESS. No; we are not.

Exam. KEPHART. In other words, do you claim that your service east of the Cascades will be benefited by one line over U. S. 99, Medford and Klamath Falls only; is that your position?

The WITNESS. That is right. I have made a survey of the territory over there in the Eastern part of the State and both north-bound and south-bound, we propose to give a 24-hour faster schedule than is now available.

These communities are not on the lines of any of the present motor carriers operating between California and northwest points.

By Mr. SCHAFER:

Q. Returning now to the first question—about how many people are located on the lines of Consolidated Freightways east of the Cascade Mountains who would enjoy a 24-hour saving in transit time?

Mr. IVERS. I object to that as repetition. He has already testified to it.

The WITNESS. 130,000.

54 By Mr. SCHAFER:

Q. In Oregon?

A. Yes.

Q. How about in Washington?

Mr. IVERS. I made my objection. Why burden the record with it twice?

Exam. KEPHART. How much was it in Washington?

The WITNESS. 385,000.

Mr. IVERS. 385,000? 365,000, you said before.

The WITNESS. Could I correct that to 328,000?

By Mr. SCHAFER:

Q. Does that include Seattle and Tacoma?

A. That does not include Seattle and Tacoma which would also be affected by this proposed service. If we included Seattle and

Tacoma, the population of those counties would increase it to slightly over one million people affected by this proposed faster schedule.

By Mr. KEPHART:

Q. Would that be all the way up to Bellingham, or just the two counties in which Seattle and Tacoma lie?

A. No; that includes King County, in which Seattle is located and Pierce County, in which Tacoma is located; also—I can give the counties—should I do that?

Q. Do you have everybody west of the Cascades?

A. No; it is the Puget Sound area immediately surrounding Seattle and Tacoma.

By Mr. SCHAFER:

55 Q. Will the inauguration of this service also result in a saving in transit time to Bellingham or other points west of the Cascades?

A. Through a connecting carrier at Portland, service will be improved to Grays Harbor, intermediate points between Portland and Seattle, also Everett and Bellingham, Washington.

Those intermediate points are Olympia, Chehalis, Centralia, Longview and Kelso, and Vancouver. Willapa Harbor would also have an opportunity to get a faster service.

Mr. SCHAFER. That concludes my direct examination.

Chairman TERRIL. We will recess for about ten minutes.

(Recess.)

Chairman TERRIL. We will come to order, please.

Gentlemen, this hearing gives promise of being a long and drawn out one. The Board wants to meet the convenience of everybody as much as possible, but we want to get the case disposed of, too.

Now, does anybody have objection to night sessions?

(No objections.)

Does anybody have any objection to one night? I thought that we might wait until tomorrow before we held a night session.

Mr. FARRENS. Let's wait and see if that is necessary.

Exam. KEPHART. This is really advance notice, Mr. Farrens, to see how things shape out. In other words, we won't have a night session if we don't have to.

Chairman TERRIL. If by the end of the afternoon we have
56 gone so well that the applicant's attorney feels that we can dispose of it in the time allotted to it, we won't have a night session; otherwise we may have a night session tonight as well as other nights during the week.

You have some additional questions?

Mr. SCHAFER. Yes.

By Mr. SCHAFER:

Q. Mr. Weisler, in describing the service you proposed to give you didn't state how that was going to be accomplished. Now, how are you going to render a service between San Francisco on the one hand and Spokane on the other?

A. Between San Francisco and Spokane we contemplate running the same truck and trailer through from San Francisco to Spokane by way of Weed—over Highway 99 to Weed and Klamath Falls, Chemult, Bend, Redmond, Bates, Arlington and Kennewick, Washington, and on to Spokane.

By Exam. KEPHART:

Q. Kennewick or Pasco?

A. Well, Kennewick and Pasco.

Q. Kennewick and Pasco to Spokane?

A. Yes.

By Mr. SCHAFER:

Q. Between San Francisco to Seattle what route will you use and the difference it will make to your present service?

A. Between San Francisco and Seattle, north on Highway 99 and west to Weed, and then to Klamath Falls and over the new Willamette Pacific Highway in Oregon to Goshen and
57 north through Eugene to Portland and on to Seattle; south-bound on that run over the same route.

Q. And what arrivals do you contemplate in Seattle?

A. In Seattle we contemplate second-morning delivery in Seattle and the same in Spokane.

South-bound from Seattle to San Francisco, we contemplate second-morning delivery in San Francisco on shipments out of Seattle in the evening.

By Exam. KEPHART:

Q. What traffic would go up through Roseburg, then—Medford and Roseburg?

A. From Ashland, Medford, Grants Pass, and Roseburg, we would operate a truck and trailer from San Francisco through those points to Portland and south-bound over the same route, giving second-morning delivery in Portland or arriving in Portland in time in the afternoon, or around in the evening, to connect in Portland with our regular runs from Portland into Eastern and Central Oregon points. For instance, from Portland we would make a connection to serve Yakima and Wenatchee, Kennewick, Toppenish, and so on.

By Mr. SCHAFER:

Q. Have you finished?

A. Yes.

Q. Now, have you been over the recently completed Willamette Pacific Highway beginning at Eugene and Goshen?

A. I was over that highway a couple of weeks ago. There is at present a detour of some 16 miles but the Highway Com-
58 mission reports that highway will be open for traffic on July 20. It is a new fast highway. We can save considerable time over our present operating time between Portland and Southern Oregon points by using that highway.

On the southern end of that new highway it is practically a three-lane highway with very little surves—practically no curves. Going south over that highway, if you start at Goshen, there are some slight curves but it is practically free of curves.

Q. Any other——

A. (Continuing.) It is typical of the highways over which we now operate; and once we gain our elevation, traveling south over that highway, you practically retain it from the summit into Klamath Falls. In other words, it will be a fast route and it will aid us materially in maintaining this faster service to the points in the Northwest.

I would like to give you a brief picture of the service we propose to these points—for instance, Ashland, Medford and Grants Pass, and intermediate points. There will be a daily service on shipments originating in San Francisco and the Bay area and points located between these cities and towns and the Oregon line, destined to Ashland, Medford, Grants Pass, and intermediate points.

The fast schedule will provide early morning delivery in Ashland and Medford and Grants Pass and the intermediate
59 points.

Then, from Wolf Creek, Oregon, including Myrtle Creek, Roseburg and Eugene, and intermediate points, we will have a first afternoon delivery from San Francisco and the Sacramento Valley to those points just mentioned. Freight that is loaded at noon, south-bound, and then freight loaded by noon in Eugene and in the early afternoon at points south of Eugene will be delivered in Sacramento, Oakland, and San Francisco the following morning.

The freight will not be transferred en route. Though we now have in Oregon facilities at all of these points for serving the shipments, in California we do not have at the present time. At the present time Consolidated, by interchanging freight with Oregon-Nevada-California at Medford is rendering second-morning delivery on north-bound shipments, and we will be able to make this first-morning that I have just mentioned.

Then on service to points like Albany, Salem and Portland, and intermediate points and the off-route points of Corvallis, McMinnville, Newberg, and points on Highway 47 such as Forest Grove and

Hillsboro, we will provide a daily service from San Francisco, Oakland, and Sacramento.

South-bound shipments, they will leave Portland in the evening for second-morning delivery in San Francisco or they may leave Portland in the early morning for the following morning arrival in San Francisco.

60 Mr. BEROL. Do you know which it is going to be, Mr. Weisler?

The WITNESS. Pardon?

Mr. BEROL. Do you know which it is going to be—whether evening or morning departures?

The WITNESS. Whichever is found necessary to give the service. It could be both morning and evening, if there was more than one truck on the run.

By means of connecting carriers, now—Oregon-Nevada-California Fast Freight—we are rendering second-morning delivery north-bound and the same south-bound.

At points over by North Bend, Marshfield, Coquille, and Bandon, and points on U. S. Highway 101 south of Bandon we will have a daily service north-bound from San Francisco and Oakland, giving first afternoon delivery at these points.

On this schedule we will pick up freight originating at any point in California north of San Francisco located on Highway 101 and destined to these points in Oregon.

We will render daily service from Marshfield, North Bend and Bandon, Coquille, and points on U. S. Highway 101 south of—in Oregon, south of Bandon, so that the freight that is loaded in Marshfield by noon will arrive in San Francisco the following morning.

Freight originating at Sacramento destined to these points I have just mentioned in Coos County and the surrounding
61 territory will be handled through Medford and Roseburg on a local service. We will give second-morning delivery with only one transfer as compared to two transfers at present. South-bound freight will be handled through Roseburg for second-morning delivery in the south.

By Mr. SCHAFER:

Q. Is that via Sacramento?

A. That is via Sacramento.

Q. Have you stated what the service will be south-bound from Marshfield to San Francisco?

A. Yes; I have stated that. There is no through common carrier truck service between San Francisco and Oakland and Sacramento on the one hand and North Bend, Bandon, and Coquille on the other hand.

Consolidated, as I have mentioned, now gives second-morning delivery in each direction through connections at Medford.

Mr. BEROL. May I interrupt at this point Mr. Schafer?

Mr. SCHAFER. Yes.

Mr. BEROL. Are you sure, Mr. Weisler, that there isn't any through truck service between San Francisco and Oakland to Marshfield, at the present time?

The WITNESS. I said there is no through common carrier truck service.

Mr. BEROL. Have you ever heard of the Transcontinental Freight Lines?

62 Mr. SCHAFER. You mean Transcontinental Contract Carriers, don't you?

Mr. BEROL. Yes. Don't they operate as a common carrier one way?

The WITNESS. They operate as a common carrier, north-bound, as I understand it, but their commodities are restricted to certain things. South-bound they operate as a contract carrier.

Mr. ADAMS. How about Bothwell Truck Service?

The WITNESS. I don't know. I am not acquainted with them.

Exam. KEPHART. What services on U. S. Highway 101 between San Francisco and the Oregon Coast points are there?

The WITNESS. I just mentioned that—the only one that I know of is Transcontinental Contract Carriers and we just mentioned that.

Exam. KEPHART. That was over 101?

The WITNESS. Yes.

Now, to Longview, Kelso, and Chehalis and Olympia, Tacoma and Seattle and intermediate points and between Portland and those points, we will render a daily service via Klamath Falls and this Willamette Pacific Highway. I have just mentioned how that equipment is moved from San Francisco to Seattle.

This is a fast highway and it will be easy to maintain those schedules.

I covered briefly Spokane, Pasco, Kennewick, Ritzville, and Cheney—the points on that route—between Kennewick and

63 Spokane, where we will operate through from San Francisco, Oakland, and Sacramento, giving second-morning delivery in Spokane and making connections in Spokane for points in Northern Idaho and Western Montana on our own lines as well as points located and served by connecting carriers over to Spokane.

South-bound shipments—from Spokane—would come from Spokane by Portland, leaving Spokane in the evening and arriving at Portland in the morning to make a connection in Portland for

San Francisco, arriving the second morning in San Francisco from Spokane.

Bend and Redmond, we propose to render a through service from San Francisco, Oakland, and Sacramento through Redmond and Klamath Falls, giving the following noon delivery north-bound on those shipments. South-bound shipments will be delivered in Oakland, Sacramento, and San Francisco the second morning out of these points, or by arrangement the equipment south-bound can be diverted from the Willamette Pacific Highway by way of Wapinitia.

Mr. BEROL. Where is that? I am not familiar with that point.

The WITNESS. Well, it is the route from here to Bend.

Mr. FARRENS. If the Board please, I would like to inquire from counsel at this time if this data concerning which the witness
64 has been testifying since the recess is all shown in the schedule which was received as Exhibit No. 2 or which was identified as Exhibit No. 2?

Mr. SCHAFER. That is true.

The WITNESS. That is true. As to the routes and points, the routes are designated by Route No. 1; that is the Marshfield route. And Route No. 2 is the route between San Francisco and Seattle. Route No. 3 is between San Francisco and Portland; and Route No. 4 is between San Francisco and Spokane. Route No. 5 is between San Francisco and Lakeview.

For Yakima and Wenatchee we propose to serve Goldendale, Toppenish, Yakima, Ellensburg, and Wenatchee; also Sunnyside and Prosser and intermediate points, giving second-morning delivery on north-bound shipments from San Francisco and Oakland.

South-bound we will give second-morning delivery on freight originating in those points in the afternoon to catch a morning service out of Portland.

And Lakeview, we propose to render a daily service by way of Klamath Falls. I think Mr. Schafer mentioned how we propose to serve Lakeview, giving delivery in Lakeview first day noon—north-bound from San Francisco and Sacramento.

By Mr. SCHAFER:

Q. What is the present service into Lakeview from San Francisco?

A. The present service——

Q. (Interposing.) Well, proceed with your statement, if
65 you have it prepared there, Mr. Weisler.

A. On freight loaded in Lakeview by around mid afternoon, south-bound, it would go through Klamath Falls for following morning delivery in Sacramento.

At the present time we serve Lakeview by way of Klamath Falls. We operate between Klamath Falls and Lakeview and receive

freight north-bound and we deliver our freight south-bound to Oregon-Nevada-California Fast Freight.

The present service by truck is second morning in Lakeview and the same south-bound. Rail service over there is third and fourth evening.

To Hood River, The Dalles, and Pendleton——

Mr. BEROL. (Interposing.) Counsel, before leaving Lakeview, may I ask a question? I have understood counsel's question to be that—may I ask if it is proposed that the service between Lakeview and San Francisco points will be a daily scheduled service, or what the facts are?

Mr. SCHAFER. I stated that the application has been restricted so as to use the route between Redding, I think it is, and Lakeview, only as an alternate route, and that the daily service would be conducted through Klamath Falls to Lakeview.

Mr. FARRENS. If the Board please, I move to strike the witness's testimony which has just been given in which he says that rail service is third and fourth day delivery.

66 Mr. SCHAFER. I will not resist that motion.

Chairman TERRIL. It may be stricken.

The WITNESS. I started to mention here from Hood River and The Dalles and Pendleton, LaGrande and Baker—I will make that read to those points from San Francisco; we propose to handle freight via Klamath Falls and to Portland, making second-morning delivery on north-bound shipments and south-bound on freight loaded at those points in the afternoon with connecting service out of Portland giving second-morning delivery in San Francisco on the south-bound service.

By Exam. KEPHART:

Q. Is that a more favorable route than the one through Nevada and Twin Falls and Boise?

A. Yes, it is. Freight not only on our lines, but I am quite sure on other lines, serving that Eastern Oregon territory, that the freight for those points moves by way of Portland. I believe that Huntington, Oregon, is generally conceded to be the dividing line.

At present, service from these points south-bound is practically—I might say all these points in Eastern Oregon and Washington—the present service is third-morning delivery, south-bound, and third-morning delivery north-bound. There may be some exceptions. In some cases it is fourth morning.

With respect to Burns, Oregon, we propose to handle freight from San Francisco and Sacramento to Burns via

67 Klamath Falls and Bend, rendering second-morning delivery in Burns.

South-bound we would have second-morning delivery from Burns, and we have a daily service between Burns and Bend at the present time. This freight for Burns would be handled on our Spokane truck, discharged at Bend and loaded on the Burns truck. I am quite sure that Consolidated are the only people now rendering a daily service from Bend to Burns.

Mr. SCHAFER. Is that all?

The WITNESS. Yes.

Mr. SCHAFER. That is all of my direct examination, if the Board please.

Chairman TERRIL. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Mr. Weisler, is it?

A. Yes.

Q. What are your primary duties as commercial agent for Consolidated Freightways?

A. My duties have been traveling throughout the territory, working with the agents and superintendents and other company employees in furthering our service.

Exam. KEPHART. Does that mean in the development of traffic?

The WITNESS. In the development of traffic; yes.

By Mr. ELLIS:

Q. Your duties are primarily in the development
68 of traffic rather than the question of the operations themselves and the handling of the equipment?

A. They go hand in hand. You can't develop traffic without developing service which is scheduled.

Exam. KEPHART. Doesn't someone else have charge of the actual operations, however?

The WITNESS. That is true. I don't have charge of the actual operations.

Mr. SCHAFER. If Mr. Ellis wishes to cross-examine on the actual operating problems, I will produce a witness who will be able to testify on that.

Mr. ELLIS. Many of the matters covered by the witness deal very directly with the operating department. If you expect to have an operating man, I think I can limit my cross-examination right here.

Mr. SCHAFER. What do you have in mind, and I will be able to answer you?

Mr. ELLIS. Questions of leaving time of trucks; interchange at terminals.

Mr. SCHAFER. This witness has testified as to proposed schedules.

Mr. ELLIS. But he proposed to extend nothing, as to his testimony, as to the practicability of maintaining those schedules from any testimony he has given.

Mr. BEROL. As far as I am concerned, it will greatly
69 shorten the cross-examination if we could listen to the other operators' testimony that counsel proposes to produce prior to cross-examining Mr. Weisler. Personally, I was going to ask permission to defer cross-examination until that time.

Mr. ELLIS. I think that would be highly desirable because of the fact that there is so much overlapping on that point.

Exam. KEPHART. Can you produce your operating witness at this time, then, Mr. Schafer?

Mr. SCHAFER. Yes; I can produce a witness who is qualified to testify on operating problems, at this time. Then, if it gets too technical for him, I will produce the technical witnesses. I hadn't planned to.

Exam. KEPHART. Of course, his testimony would in part tend to verify at least, Mr. Weisler's testimony.

Mr. SCHAFER. That is true. I will call Mr. James at this time.

Mr. ELLIS. Mr. Weisler will be back on the stand a little later?

Mr. SCHAFER. That is understood.

(Witness excused.)

LELAND JAMES was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your full name, please.

A. The name is Leland James; J-a-m-e-s [spelling].

70 Q. And you are the president of Consolidated Freightways?

A. That is correct.

Q. What experience have you had in motor transportation?

A. Well, I have had experience with the present company since April 1929. That was the date of its formation. Prior to that time I was engaged in the stage business. Prior to that time, beginning in 1913, I was engaged in the trucking business, but not transportation over the highways.

Exam. KEPHART. That is local transportation?

The WITNESS. Local; yes.

By Mr. SCHAFER:

Q. Now, will you give us a brief history of the growth of Consolidated Freightways?

A. The company was formed in April 1929, as Consolidated Truck Lines, an Oregon corporation. In 1931, it was merged with the Federal Auto Freight which was a Washington corporation,

and became then, as a result of the merger, a Washington corporation and took the name of Consolidated Freight Lines.

In 1939 the name was changed to Consolidated Freightways, Inc.

Exam. KEPHART. Is that an Oregon corporation?

The WITNESS. That is a Washington corporation.

Exam. KEPHART. A Washington corporation?

The WITNESS. The company has enjoyed a consistent growth since its formation. The first year's business, I believe, was
71 around $600,000. The business in 1939 ran about three and three-quarters millions.

Exam. KEPHART. Dollars?

The WITNESS. That is dollars; yes.

By Mr. SCHAFER:

Q. Does Exhibit No. 1, your system map, show the points in Washington which your system serves?

A. Yes.

Exam. KEPHART. That is in red lines?

Mr. SCHAFER. Yes.

By Mr. SCHAFER:

Q. And do you presently have terminals in California and, if so, at what points?

A. At the present time we maintain terminals in Northern California at San Francisco, Oakland, and Sacramento.

Exam. KEPHART. How about at Stockton?

The WITNESS. No terminal at Stockton.

By Mr. SCHAFER:

Q. Will the granting of this application result in any change in the terminal situation in California?

A. Yes, it will; it will result in several changes. Some of those changes we might go ahead and make anyway. We plan on consolidating the terminal at San Francisco with the terminal at Oakland and locating the new terminal at the east approach of the Bay bridge. We find it impractical to maintain two terminals in that area, inasmuch as, by doing so, it is extremely difficult to route the freight in station order out that area. Therefore,
72 we plan to consolidate all the shipments at Oakland and load the trucks directly through to the points for which we are now applying, as well as to the points that we are now serving which are located east of San Francisco. We believe that it is very important to get the freight properly routed on the trucks so as not to delay the trucks unduly in transit.

This application would result in changes in our terminal at Sacramento and some enlargement there. At the present time

we are terminaling with our connecting carrier but the granting of this application would necessitate our moving our facilities into separate headquarters, which we are planning to do.

Mr. FARRENS. If the Board please, the gentleman will have to raise his voice so the old gentlemen in this corner can hear.

The WITNESS. In California we will put in what terminals we need. They undoubtedly will be commission agencies rather than regular terminals.

By Mr. SCHAFER:

Q. What are your terminal facilities in Oregon?

A. We have very complete terminal facilities in Oregon. I think we have 20 company-operated terminals and 48 commission agencies.

Q. Do you contemplate any changes in Oregon in case this application is granted?

73 A. I don't think any changes will be necessary in Oregon. I think our terminal facilities in Oregon are entirely adequate as they now stand.

Q. What facilities do you have in Washington?

A. In Washington we have 9 company-operated terminals and 24 commissioned agents. There, too, I would say that our terminal facilities are adequate.

Exam. KEPHART. Can you state your terminal facilities in Southern Oregon, at the present time?

The WITNESS. I didn't—are you now referring to company terminals?

Exam. KEPHART. Yes.

The WITNESS. Yes, I can. We have company terminals in Medford, Grants Pass, Roseburg—now, how far east and west would you like for me to go?

Exam. KEPHART. That is fine. You have none at Klamath Falls at the present time?

The WITNESS. Yes; we have company terminals at Klamath Falls.

By Mr. SCHAFER:

Q. How about Marshfield?

A. Marshfield.

Q. Coquille?

A. That is right.

Q. Lakeview?

A. Yes; at Lakeview.

74 Q. Now, how has your company been financed?

A. The company has been privately financed. It is largely owned by people who are actively engaged in the business.

Since its inception, it has largely been financed out of earnings. The company has been able to make an earning every year, with the exception of the year 1932.

Mr. SCHAFER. May this be given a number, please?

(Exhibit 8, Witness James, marked for identification.)

By Mr. SCHAFER:

Q. I hand you a balance sheet, Mr. James, and will ask you if that was prepared under your direction?

A. It was.

Q. Does that show the financial condition of your company as of the date shown May 21, 1940?

A. It does.

Mr. SCHAFER. I offer in evidence applicant's Exhibit No. 8.

Chairman TERRIL. It will be received in evidence as applicant's exhibit No. 8 in this matter.

(Exhibit 8, Witness James, received in evidence.)

By Mr. SCHAFER:

Q. What additional capital investment do you expect to make if the extension which you seek here is authorized?

A. It is very difficult to estimate—it would be very difficult to estimate accurately the additional capital investment which would need to be made. I can only give you our best conclusions.

75 We feel that there would need to be improvements that I have already mentioned in the terminals in California. If those improvements were made, it would probably involve an expenditure in property and terminals in Oakland of around $60,000. And in Sacramento it would probably be around $2,000 because we undoubtedly could find buildings already—we could undoubtedly find a building that we could rent that would be adequate for our terminal facilities there and we wouldn't require a new terminal.

The Terminals in San Francisco, however, could be financed over a long period of time. It wouldn't require a cash expenditure of much over $10,000.

The increase in the rolling stock which would be required on this new operation, too, is indefinite. We have to bear in mind several factors. It would depend upon the amount of business which would be handled and it would depend upon how the business now being presently handled is divided.

At the present time we are handling a nice volume of business out of San Francisco to Oregon and Washington points through the Oregon-Nevada-California Fast Freight. They also have an application pending before the Board for the right to give a through service.

I would be led to believe that the present business would possibly be split between the two companies which would leave us
76 with enough rolling stock to take care of the business that we would handle. Bearing in mind, too, that we will get a greater utility of our equipment because our old method of operation was based upon the existence of two local schedules which were joined together to give a joint service while the new service is a through service. The difference between the two is that, in the case of the local service, the equipment out of San Francisco will be kept waiting at the interchange point of Medford, while the transfer is being made. The same applies to the equipment out of Portland. On the through schedules you will get much greater use out of your equipment.

I would say, as far as the rolling stock is concerned, that we would not be put to any large immediate investment. We have already on order equipment to take care of our business under its normal expansion and we don't look upon this as being—we don't look upon this as meaning that there will result any immediate expansion of business handled. It is merely a problem of using the equipment in a different manner.

If additional equipment is needed, however, we are in a position to furnish it, and can have it financed.

Exam. KEPHART. Because of the considerable distance, would you be able to make a profitable load factor?

The WITNESS. Yes. We have studied that out quite care-
77 fully. In setting out these routes, as shown in the exhibit Mr. Weisler introduced, we took into consideration the load factor that would be involved in the routing of that equipment.

For instance, one of the extreme termini on this run is Spokane. We know that presently there is considerable freight going into Spokane—enough to build up our load factor.

Exam. KEPHART:

Q. What is your present load factor between the Southern Oregon points and the territory to the north?

A. Well, our movement from the Southern Oregon point of Medford to the northern points is overbalanced on the north-bound.

Q. It is higher on the north-bound than it is on the south-bound?

A. Yes, sir. I can't tell you the percentage of the load factor.

By Mr. SCHAFER:

Q. What type of line haul equipment will you use in this operation?

A. Well, we will use the same type of line haul equipment we are presently using—that is, truck and trailer combinations, powered to keep pace with the other traffic on the highway and capable of

making the schedules that we contemplate making. We will use a considerable amount of reefer equipment because there is a big flow of cargo between the points that require refrigeration.

Q. What facilities do you have for servicing this equipment in the territory that you are going to serve?

A. At the present time we maintain a shop at San Francisco.

78 With a new terminal at Oakland, that shop will be moved to Oakland. We are presently maintaining a shop at Portland, one at Seattle, and one at Spokane. All of these shops will be utilized in servicing the equipment.

Q. What insurance compensation do you have for the protection of the public?

A. We carry public liability policies in the amount of fifty thousand dollars—in the amount of fifty thousand dollars and one hundred thousand dollars. We also carry a C. O. D. bond to guarantee the remittance of C. O. D. moneys to the shippers.

Q. What policy does your company have with respect to accident control and safety operation?

A. We maintain a safety engineering department, and under their direction we maintain a school for the drivers. We maintain driver inspectors. Our program along those lines has been very successful. We have an outstanding accident record for not having accidents, to the point of where we were given an award for the performance during the year 1939. I think our accidents, at the present time, are running less than three-fourths of one accident for a hundred thousand miles of travel. That is really a remarkable record.

Q. What constitutes an accident?

A. A reportable accident is any accident in which the equipment is damaged or in which any person is injured.

79 Q. What personnel policies do you follow in your company?

A. We maintain schools for the training of our employees. That is supplemented by the company paying for training in outside schools after they have gone through our company schools. All of the executive positions in the company are filled by advancement from the ranks; as a result, all of our employees come under the heading of "experienced help"—especially experienced executives.

We maintain protection for the employees on loss of time on account of sickness and accident and also provide their heirs with death benefits in case of their death.

Q. Can you cover briefly the experience of the officials in the company?

A. Yes, I can. The other officials are Mr. John Youell, executive vice president. He came with us with the merger of our company with the Federal Auto Freight. I think that was in 1931. He had had previous experience with the auto freight business.

Mr. Fred Leibold, vice president in charge of traffic, came with the company about the time the company was formed in 1929. Previous to that time he had had experience in traffic with the Ford Motor Company.

Mr. J. L. S. Snead, Sr., is the secretary of the company, and he came with the company in 1932. Prior to that time he was engaged in the stage business.

80 Mr. L. F. McCroskey, our treasurer, started with the company in 1929. Prior to that time he operated a truck line of his own.

Mr. A. W. Schappert, our auditor, was employed in 1930.

Mr. Snead, Jr., our maintenance engineer, also came with the company in 1930.

Mr. Kent, superintendent of freight operations, was employed in 1930.

We have eight district superintendents, and none of them have been with the company less than five years, and many of them have been with the company since its inception.

I think we have an experienced group of executives.

Q. If this application is granted, will the company provide the same quality of service over the new routes that is currently rendered over the present routes?

A. Yes; that is true.

Q. And will the small intermediate points, between the Bay area and Marshfield, Medford, Klamath Falls, be given a satisfactory service?

A. Yes. We seek the right to render a comprehensive service, serving the small points, as well as the large points. I believe the small points need the improved service even more than the large ones because some of the present lines actually render somewhat of a limited service.

Our company has always invited the business of many
81 thousands of small shippers, wherever they may be located.

Our schedules have always been set to afford them a satisfactory service.

We have not concentrated on giving service to a few large shippers. The bulk of our business comes from many thousands of small shippers.

Q. Now, Mr. James, would you please state the controlling reasons which prompted your company to apply for these extensions?

A. The increased patronage of the joint service with the Oregon-Nevada-California Fast Freight—is that Oregon-California-Nevada or Oregon-Nevada-California?

Mr. BEROL. Oregon-Nevada-California Fast Freight.

The WITNESS. The increased patronage of the service has made the joint service impractical and has convinced us of the need of improved service and our efforts at improving the service has convinced us that the only possible way of arriving at a superior type of service is through a new through service.

Q. In what way has increased patronage made the existing joint service impractical?

A. Well, the original service, when we first instituted it, was a combination of two local services. That is, trucks would go out of San Francisco to Medford. Those were the Oregon-Ne-
82 vada-California's trucks and our trucks would go out of Portland to Medford and the interchange of freight between the two companies was a small part of the volume.

The volume of the through business has now increased and has become greater than the local business. It is a case of the tail wagging the dog, now.

It means that both of our companies are operating several trucks and trailer outfits daily to the common points and there the freight is transferred and the equipment held idle during the transfer, and sometimes awaiting the leaving time of the local schedules.

In the meantime, there has been a steady increase in traffic from the Bay area to Oregon and Washington points. As a result of that, Oregon-California has found it necessary to name joint rates with other lines that serve Medford. This has resulted in a lot of misrouting of shipments. We frequently have got shipments that didn't belong to us and the other carriers have frequently got shipments that didn't belong to them, or we would get their billing and they would have the shipment, or we would have the shipment and they would have the billing.

We have also had the troublesome dispatching problem which Mr. Weisler covered. It was necessary for us to get to Medford enough equipment to handle the freight that was coming out of San Francisco to points beyond Medford. That frequently meant deadheading trucks in from Marshfield and Klamath
83 Falls or some point that is quite distant from Medford, to get there in time. It is just not practical and is quite uneconomical, because those trucks would come up from San Francisco to Medford with this large amount of freight that needed to be handled on that particular day, and had to return back to San Francisco practically empty because we were shooting empty

equipment into Medford in order to handle the freight northbound.

It is all a result of trying to join up two local services to afford a through service. As long as the amount of traffic moving on the through service is a small part of the whole, it is probably practical; but when the amount of the traffic that moves on the through service exceeds the amount of traffic which moves on the local services, why, then, the local services shouldn't be maintained—the joint service shouldn't be maintained with the local services handicapping the through service.

Q. What convinced you that there is a need for a through service?

A. Well, we are convinced of the need for an improved service because of the large volume of complaints on the joint service; that was one factor. The second was the ready acceptance by the shippers of a through trailer service, which we recently established. We established a through trailer service which was
84 very favorably received by the shippers and resulted in an increase in volume.

Then came, concurrently with all this, the development of this new faster route north of Klamath Falls, through Eugene. A survey of the new route convinced us that we could make very substantial savings in time to the points where we are carrying a substantial tonnage. There would be a substantial saving in time on freight moving into all Washington points. There would be a 24-hour saving in time at both eastern and western Washington points.

I left out the Coast route. On the Coast Route, there has been a consistent demand from the shippers located in the area which we are serving in Western Oregon for a through service from the Bay area. I think that has largely been brought about by the difficulties which the steamship lines have had. Their service has been greatly curtailed and it has resulted in a demand for an improved trucking service.

Q. From your experience in watching the development of this joint service, what do you expect the effect to be of the granting of this application upon the existing carriers between San Francisco and Medford, and San Francisco and Klamath Falls?

A. Treating them separately, south of Medford, we have in our operation the Oregon-Nevada-California Fast Freight and the Pacific Truck Express and the Pierce Auto Lines.

The California Fast Freight are concurrently applying
85 for the right to extend their services north of Medford to Portland. The net result of the granting of their application and our application would be the splitting of the traffic

between the two companies. We would each take part of the present business we are now jointly handling, and operate our equipment straight through.

In my opinion this will result in both of us operating about the same number of vehicles, about the same number of miles; and if our divisions of revenues of the past have been properly arranged, we continue to gross about the same amount of revenue. It should result in our both having a more profitable operation, as it will eliminate the present waste of checking, weighing, and transferring freight at an intermediate point.

The service would be improved and no doubt it would attract more volume. That is a conjecture. At the present time, both companies are maintaining terminal facilities in San Francisco so on our part it would mean very little increase in our terminal costs.

It will mean an increase in terminal costs for the Oregon-Nevada-California Fast Freight, but the cost of it would be offset, in my opinion, by eliminating the cost of transferring the through freight at Medford.

The Pacific Truck Express, on account of it being sold to the Southern Pacific Company—I guess that is the reason—
86 is eliminating the through service from San Francisco to Portland and, at the same time, the Pierce Auto Freight is increasing its service from weekly to daily service. The establishment of additional through service would not deprive the Pierce Auto Lines of any business which they now have, as they are just getting started in the field.

Mr. FARRENS. I move to strike the portion of Mr. James' testimony just given, in which he said the Pacific Truck Express is eliminating its through service between Portland and San Francisco, on the ground that he has not shown qualifications to testify as to the intentions of Pacific Truck Express.

Mr. SCHAFER. I will ask Mr. James if he is familiar with the representations which—I think it is Mr. Young—made at the hearing wherein they sought to acquire the rights of Pacific Truck Express.

Mr. FARRENS. That question is objected to. We don't want to enter into this case what was done in the other case.

Mr. BEROL. Substantially in accordance with the order of the Commission itself, in authorizing the acquisition, is there any question about that?

Exam. KEPHART. Can you give a reference as to that order, Mr. Berol?

Mr. BEROL. I can't now. I will be able to later in the day, Mr. Examiner.

87 Exam. KEPHART. Very well.

Mr. SCHAFER. Is Mr. Farrens contending that we are not entitled to rely upon the representations that representative of that firm has made to the Commission under oath?

Mr. FARRENS. You can rely upon the Commission's decision.

Mr. SCHAFER. But not on Mr. Young's testimony?

Mr. FARRENS. That is right.

Mr. SCHAFER. Thank you.

The WITNESS. Now, where am I?

Mr. FARRENS. I say, that is correct. I am not confessing any delinquency, moral or otherwise, on Mr. Young's part.

The WITNESS. Paul, have you discontinued the service?

Mr. FARRENS. No; we have not. The only relative matter in this thing is the order of the Commission.

Exam. KEPHART. Do you have the citation of that order?

Mr. FARRENS. No; I have not.

Mr. BEROL. I will furnish it.

Exam. KEPHART. Mr. Berol, will you furnish it?

Mr. SCHAFER. I can read you Mr. Young's former testimony as to what he proposed to do with the "PT" except in the event the application was granted.

Mr. FARRENS. Again, if the Board please, I say that what he proposes to do—his plans may be entirely changed by what the Commission orders, as to what he might do.

Mr. BEROL. It might be well to adjourn for lunch, might
88 I suggest?

Exam. KEPHART. We will adjourn at 12:30. That is the regular time.

Mr. BEROL. All right.

By Mr. SCHAFER:

Q. You were stating, I think, that Pierce would not be deprived of any business they now have because they were just getting started?

A. Yes.

Mr. FARRENS. The Board hasn't acted on my move to strike that testimony. I would like some action on it.

Chairman TERRIL. I think the testimony in regard to the service that is proposed to be rendered by Pacific Truck Express should be stricken from this record.

Mr. FARRENS. Thank you.

By Mr. SCHAFER:

Q. Proceed, Mr. James.

A. I think I am through with that point. Between Klamath Falls and San Francisco there are only two regular route carriers—the Oregon-Nevada-California Fast Freight and Reymers Truck Line.

Mr. BEROL. Who is the other one?

The WITNESS. Reymers; R-e-y-m-e-r-s [spelling]. It is an individual, C. T. Reymers, doing business as Reymers Auto Lines, I believe.

The filing of this application—that is the application which is being heard now—the California Fast Freight have
89 already routed the majority of the business which was formerly moved over our joint services, over the Arrow Transit Line to Lakeview and over the Bend Line. Since this has already been diverted, the granting of the application will have very little effect upon it.

The check we made showed that by far the majority of that traffic had already been rerouted. We have entered into an option to purchase the Reymers Lines and the application for authority to do this is now being filed with the Interstate Commerce Commission.

The present certificate of the Reymers Line does not authorize the transportation of all commodities. Therefore we, through this application, will be improving the convenience and necessity for a service handling a general list of commodities.

Q. Did you attempt to find any other carrier between Medford or Klamath Falls on the one hand, and San Francisco on the other hand, which had general commodity rights?

A. We surveyed the field very thoroughly; yes.

Q. Were you able to find any?

A. No; not that had substantial transportation rights.

Q. Oregon-Nevada-California is the only carrier, then, between those points, with general carrier rights?

A. No; they are, as I described previously——

Q. I mean terminating at those points and not returning through?

90 A. I don't know of any local carrier between San Francisco and Medford who terminates at Medford.

Mr. SCHAFER. That is all.

Chairman TERRIL. Mr. James, did I understand you, that you desire to serve all intermediate points on these routes that you are seeking between the Bay points on the one hand, and Marshfield, Medford, and Klamath Falls on the other?

The WITNESS. That is correct.

By Exam. KEPHART:

Q. How about between Redding and Lakeview—intermediate points also?

A. No; that is used as an alternate route. This service scheduled——

By Chairman TERRIL (interposing).

Q. You are not seeking any points to serve on the alternate route between Lakeview and the junction with 99?

A. That is correct. There certainly will not be a scheduled service in there. The only service we could possibly give to a point like Alturas would be an on-call service; but we are scheduling a service on the other routes and are seeking to serve the intermediate points—that is, freight from Corning to Oregon and Washington points, and in a reverse direction. We are not seeking the right from San Francisco to Corning. That is traffic which is principally intrastate.

Q. In other words, you don't propose to do local service between intermediate points—to intermediate points on these
91 routes?

A. We don't propose to render a local service between points located in California.

By Exam. KEPHART:

Q. How about the route between Goshen and Chemult or junction points in there?

A. Yes; we wish to serve every point in there.

By Chairman TERRIL:

Q. One other question. As I understand, at the present time there are differences in the weight limits of vehicles between Oregon, California, and Washington?

A. That is right.

Q. With the Oregon limit being the lesser?

A. Yes.

Q. Is it your proposition to operate all of your equipment in compliance with the Oregon limitations?

A. Yes; all of the equipment except such equipment as might be used in rendering a local service from San Francisco to Klamath Falls or San Francisco to Medford; but all of the through equipment would have to be of the type that could be operated directly through.

Q. In other words, you propose to eliminate that shuttling of equipment across the line?

A. That is right.

Q. Which now is compelled by the difference in the weight limits of the two states?

A. That is correct.

92 Chairman TERRIL. I think we will recess now until 1:15 gentlemen.

(Whereupon, at 12:25 o'clock p. m., hearing recessed until 1:15 p. m.)

93 AFTERNOON SESSION 1:15 P. M.

Chairman TERRIL. We will be in order, gentlemen.

You were completed with your direct, weren't you, Mr. Schafer?

Mr. SCHAFER. Yes; I had finished with the direct examination. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Now, as the president of Consolidated Freightways, I take it that you are the active managing head of the buiness.

A. The company is run by an executive committee consisting of three—myself, Mr. John Youell, and Mr. J. L. S. Snead. That is the Executive Committee.

Q. During the portion of your period of service with Consolidated Freight Lines and Consolidated Freightways, you have actively served as the managing or the directing head of the business and could properly be said to have been the manager or the managing head?

A. The statement in answer to that is the same as it was before. The management of the Consolidated Freightways is lodged in an executive committee of three, of which I am one.

Exam. KEPHART. Are you the chairman of the Executive Committee?

The WITNESS. Yes.

By Mr. ELLIS:

Q. You have no manager?

94 A. We have no manager at all.

Q. And how long has that executive committee of three been in existence?

A. Oh, I can't tell you just offhand. It has been in existence over a year, if that will clarify it for you.

Q. As I understand your testimony, the only new investment you contemplate in the way of facilities is the new terminal at Oakland and a leased terminal at Sacramento?

A. That is the only new investments which we plan on making as far as terminal facilities are concerned.

Q. Now; with respect to the Oakland terminal, I assume or understand from your testimony that you intend to build a terminal of your own which will be separate from other carriers.

A. That is correct, Mr. Ellis. Please understand that we are now operating from San Francisco and we would possibly go ahead with this terminal construction anyhow, whether this permit is granted or not.

Q. And do you propose any increase in your pick-up and delivery service to or as a result of this terminal change?

A. There will have to be some increase in pick-up and delivery service because there will be some more freight moving; but our pick-up trucks are covering the area of San Francisco quite well now. Our own pick-up trucks do not cover the East Bay area and there will have to be additional pick-up trucks to put in over there in that area.

95 Q. Have you made any estimate of the approximate investment which will be required if it is advisable for this additional pick-up service which will be incident to these operations?

A. It will be minor.

Q. Well, have you made any estimate of that expense or investment?

A. I have approximated it in my own mind; yes.

Q. And what is that approximation?

A. Oh, my approximation is that it will add about two more pick-up trucks.

Q. At Sacramento you contemplate a sufficient investment only to remodel some other facilities that you think you may be able to lease?

A. That is correct.

Q. Have you made any investigation to ascertain whether suitable buildings are available for lease?

A. No; I have not.

Q. And in the event you do not have leased terminal facilities there, would you state approximately what investment would be required to construct facilities of your own?

A. No; I cannot.

Q. Would it approximate that contemplated at Oakland or would it be substantially less?

A. Substantially less.

96 Q. I assume the balance sheet which is marked "Exhibit 8" was prepared by your accounting staff, Mr. James?

A. Yes, it was.

Q. Under the heading of "Investments and Advances—Affiliated Companies". What is embraced?

A. The largest single investment there is the investment in the Shaver Forwarding Company; the boat company. The other investments are investments or advances of the freightways organization and some tariff bureaus.

Q. I assume the items of trucks, tractors, trailers, and other automotive equipment represents the present depreciated values of those several items as they appear as of May 31 on the books of your company?

A. No; they represented the original cost. The depreciation is set up as a liability.

Exam. KEPHART. Reserve for depreciation, $947,738.17.

By Mr. ELLIS:

Q. And I assume this equipment has been purchased at varying times over the period of operations?

A. A substantial period.

Q. Do you know what business of depreciation is used in setting up the reserve as far as the equipment is concerned?

A. Yes.

Q. Will you state what that is?

A. It is 10% per annum for the eight years leaving a balance of 20%—undepreciated on the balance.

Q. Is that a ten-year life basis?

97 A. No; it is an eight-year life basis.

Exam. KEPHART. What does the 20% represent—trade-in value?

The WITNESS. Trade-in value or salvage value.

Exam KEPHART. Trade-in value or salvage value?

The WITNESS. Yes.

By Mr. ELLIS:

Q. Will you state whether or not, in setting up your reserve for depreciation in your account—and in this balance sheet—you have used the same basis that you used for income-tax purposes?

A. I don't know whether that is true or not. I could inquire and find out, and then answer your question, if that would help you.

Q. Is it not true, to your knowledge, that federal agencies and particularly the Income Tax Divsion, permit a much more favorable basis of depreciation than you have used in this case—in this account?

A. I can't answer that.

Q. Well, will you look up and ascertain that fact before the record is closed?

A. I can find out right now.

Exam. KEPHART. What is to be gained if it is more favorable, Mr. Ellis? There is nothing to be gained by it.

Mr. ELLIS. That is something I may want to develop further. It has an effect on the financial set-up of the company on its

98 original investment.

The WITNESS. Mr. Bennett tells me he uses the same rate for income-tax services as is used in this statement.

By Mr. ELLIS:

Q. All right. Are you able to state what amount, embraced under the item "Deferred Payment Contracts" consists of items

payable within a period of one year and which are normally considered as current liabilities?

A. I cannot.

Q. Could you readily ascertain that fact?

A. Yes.

Q. And could you furnish the same information with respect to the item "Mortgage Notes Payable—Equipment"?

A. Yes.

Q. It is true, is it not, that there would be some portion of those two accounts that would be more or less current in character and payable within the course of a year?

A. There would be a considerable portion of them that would be payable within a twelve-months period from May 31.

Q. Would that also be true of the item "Deferred Liabilities—Tire Contract"?

A. Yes.

Q. In connection with your contention that you will be able to reduce the time in transit of shipments between San Francisco and North Coast points, as I understand your testimony, that will apply primarily to points north and east of Portland
99 rather than to points on U S 99 south of Portland, the intermediate territory?

A. The most substantial reduction will be made to points in Washington. The most substantial reduction of the time of transit will be made to points in Washington.

Q. And with respect to points on U S 99 south of Portland, in Oregon, there will be no substantial shortening of the service—western Oregon points, I mean.

A. It is all according to what you consider a substantial difference in time.

There will be a difference in time on account of the through service and no delays at Medford.

Mr. SCHAFER. If the Board please, the service scheduled speaks for that point and, moreover, shipper witnesses to follow will testify as to what service they now enjoy and that will be compared to what is possible, here, and the Board can draw the conclusion as to whether that is a substantial saving.

Mr. ELLIS. Well, the exhibit is rather involved and it is a little difficult to get the clear picture of what is proposed from the exhibit itself.

Chairman TERRIL. The witness is able to testify on these points, isn't he?

The WITNESS. Yes.

By Mr. ELLIS:

Q. Now, part of these savings in time, as I understand it,
100 is to result from the fact that for through shipments from

Washington points to San Francisco Bay points, you propose to use the new Willamette Highway?

A. Yes; that is correct.

Q. Would you say about how much saving in time would be effected by the use of that route as compared with the present route?

A. The route between San Francisco and Portland, by way of the Willamette Highway, as compared with the route from San Francisco to Portland by way of 99, I would say that there would be a saving made by using the Willamette Highway Route of around three hours or four hours in transit time.

Q. And I assume that part of the savings of time will be brought about by your proposal to operate your equipment at faster speeds?

A. No; not at any substantially faster speeds than we are now operating at.

Do you want to know how we save the time? I can tell you very quickly.

Q. Yes; I think that would be helpful.

A. The time is saved first, on the north-bound shipments—the time is saved in the loading at Oakland as compared to a stop and transit loading which is now occurring at Oakland—stop and transit reloading. That is your first saving.

Now, in your Eastern Washington territory, of course, you go through Bend, in Central Oregon, and don't come
101 through Portland at all. That enables you to take a much more direct route to Spokane, and there is a substantial saving in mileage.

Your saving in Seattle is a combination of the elimination of your stop in transit at Oakland and your stop in transit at Medford and your stop in transit at Portland.

Q. Now, taking your first point—your stop in transit at Oakland, that economy in time could be effected without the necessity of Consolidated, itself, operating the section of the route between Oakland and Medford or Klamath Falls, could it not?

A. It could be effected; yes.

Q. Now, with respect to the transfer at Medford, is it not true that at the present time, and for the past year, by far the greater portion of the through freight destined to points, Portland and north, has been handled on a trailer which was interchanged at Medford and requiring no transfer of freight?

A. That is not true.

Q. Would you say what proportion of your freight has been handled at Medford in that manner?

A. We scheduled two through trailers a day going each way. Of the total amount of business that is handled, that would amount to less than half of it.

Q. Then you would have a saving in the handling of about half of the freight interchanged at Medford, as I understand it; a saving in time due to avoiding transfer?

102 A. No; because the saving in time is dependent upon the arrival of the last schedule. That is a combination of local services. We have to hold at Medford until the final truck gets in from San Francisco on this combination of local service; to clean up and route.

Q. And I assume that condition to be improved by the speeding up of the service of your connecting carriers?

A. Both of the carriers involved in this application have done everything they can do to overcome the difficulties that you are pointing out. We have just been unable to do it, that is all.

Q. And about how many hours' time do you contemplate will be saved by the change in condition at Medford?

A. To what point?

Q. To points, Portland and north?

A. I don't think you understand how the operation is conducted because your questions—I can't answer them.

Freight will be loaded directly out of San Francisco, for instance, to a point in Seattle. That will be a through schedule. Therefore, the Seattle freight will move right straight through on that schedule without any stop at all. Now, is that the schedule you want me to compare with?

Q. I am trying to find out how much time lost at Medford will be eliminated as compared with this.

A. As compared with this one "hot shot" schedule?

103 Q. Yes.

A. I would say there would be on the average of eight or nine hours.

Q. You don't contend there will be eight hours or nine hours delay at Medford now by reason of the situation you mention?

A. On freight to Seattle?

Q. Yes.

A. Yes, there is.

Q. Now, the third point is that you will effectuate savings in time at Portland through savings here?

A. Yes.

Q. That is only on incidental connection with the increased operating right which you are asking for—you could do that anyway?

A. No; we could not. You see, the freight must arrive—for the service to be of value to the shipper; the freight must arrive there either in the morning or at some reasonable time for morning delivery or immediate afternoon delivery. At the present time the freight lines arrive in Portland so late that it can't go on to Seattle

for morning delivery, so it is held over here for practically twenty-four hours.

Q. There are other carriers serving between San Francisco and north points, at the present time, who are not holding their freight over for that additional twenty-four hours, are there not—that carry it on through more rapidly?

104 A. Would you name the particular Northwest point?

Q. To Seattle.

A. There is none that I know of.

Mr. ELLIS. That is all that I have.

By Exam. KEPHART:

Q. Mr. James, have you been operating under any per diem agreement with connecting lines for the interchange of full trailers at Medford?

A. It is a per mile agreement, Mr. Examiner.

Q. Just a per mile agreement—there isn't any division of the rate?

A. No; the rate is split as shown by—as it always has been split. The Oregon-California Fast Freight pays us 4½¢ a mile for our trailers that they use and we pay them 4½¢ a mile for their trailers that we use.

Q. Have you given any consideration to an agreement such as the railroad has for an interchange of equipment—per diem agreement?

A. We don't think we could work it out on a per diem basis because the costs are more directly based on the mileage operated, rather than on the time.

Q. Did you read the full column discussion on that subject in Transport Topics a few months ago taken from a report of mine in the Keeshin case in New York?

A. No; I didn't; I am sorry.

Q. It might be well for you to read that in consideration

105 of your proposed operation.

A. It is true that, in the interchange of trailers, the per diem rate might be as fair as the per mile. Of course, when you get into power equipment it gets very much in favor of the per mile.

Q. Well, there are many other questions involved, as well as the amounts of the compensation. I would suggest that you read the discussion on the Keeshin case in Transport Topics several months ago.

A. Thank you.

Mr. SCHAFER. I also will read that, Mr. Examiner. We have been looking for answers to some of the interchange problems.

Exam. KEPHART. Well, that problem was vigorously brought forth in that case and was dealt with extensively in my report, and was published in Transport Topics.

Chairman TERRIL. Is there any further cross-examination, gentlemen?

Cross-examination by Mr. HEDGES:

Q. Mr. James, would you take a copy of Exhibit No. 1, the map? Now, Wells, Nevada, is an important interchange point, is it not?

A. No.

Q. Where is the interchange point for freight originating in San Francisco destined to Salt Lake City?

A. Elko, Nevada.

106 Q. Elko?

A. Yes.

Q. Doesn't this map indicate—the map only indicates the junction of the rights, does it not, rather than physical interchange?

A. That is right.

Q. Does the amount of tonnage that interchanges at Elko compare with that interchanged at Medford?

A. It is much less.

Q. It is much less?

A. Yes.

Q. Do you have any point on your system where your interchange of traffic is at all comparable to that at Medford?

A. No.

Q. At what point on the line is the interchange the largest, this side of Medford; would it be Elko?

A. I can't answer that question; I don't know; but all the other points of interchange—Elko, Twin Falls, Butte, Billings, Minneapolis, and many others are all very much smaller than this.

Q. All of those that you have just named, is the interchange made with members of the Freightways System?

A. No.

Q. At what points would it not be members of the Freightways System?

107 A. Minneapolis.

Q. Do the routes shown in red represent physical operations of Consolidated Freightways at the present time?

A. The red lines indicate the highways over which our trucks operate in serving these points that are set alongside the highways.

Q. Isn't there a slight mistake in the line extended from Seattle north to Snohomish, possibly—do you see that there?

A. Yes; I see that.

Q. You don't operate between Seattle and Snohomish, do you?

A. Not to my knowledge, we do not.

Q. Are there any other places on the map where it might be in error?

A. There are no other places that I know of where there is an error.

Q. Now, with the exceptions shown in the——

A. (Interposing.) Mr. Leibold tells me that Snohomish is a printer's error.

Q. That is an error?

A. Yes.

Q. In the central part of the map headed "Daily Service Except Sundays and Holidays" with a list of service along the Columbia, do those correctly indicate the connections to the service which would be normally expected by the map?

A. I think they do, Mr. Hedges, but I am not competent
108 to state that.

Q. Well, generally, they do?

A. Yes.

Q. Well, now, take the route between Portland and Seattle. Does the Consolidated Freightways serve by its vehicles any of the points between Vancouver and Tacoma, either in intra or interstate service?

A. (No answer.)

Q. If you don't know, Mr. James, I would rather whoever you are going to have on the stand who is familiar with it.

A. All right, maybe you had better do that.

Mr. HEDGES. Will you have somebody who will be familiar with that; the reason I asked it is that my understanding was that Mr. Schafer put you on the stand because he thought Mr. Weisler wasn't familiar with the general operating conditions. I don't want to embarrass you at all. I thought you were familiar with it.

Mr. SCHAFER. The point we were discussing, then, was more or less the operating feasibility of these schedules and so forth.

Now, Exhibit No. 1 has been received in evidence. It states on its face what the limitations are. You know very well that the limitations say there that there is no transportation between Portland and Tacoma. That is stated on the face of the exhibit.

109 He has just stated that those limitations, as shown on the map, are substantially correct. Now, what further information do you want on that point? It is in the record, and you can argue from it any time that you want to.

By Mr. HEDGES:

Q. Well, Mr. James, do I understand you correctly on the direct examination, to state that Consolidated Freightways believe or

usually believe that the smaller communities are entitled to and needed additional and better service, perhaps, more than the larger communities. Did I understand you correctly on that?

A. I think I stated it that way, but I didn't finish my statement. I said the need was greater in the smaller communities, because so many of the carriers now operating over these routes are avoiding serving the smaller communities. They are semilimited—Their service is semilimited.

Q. Well, specifically, would that be true to those points located between Tacoma and Portland?

A. Yes; I think that is true.

Q. Would that likewise be true of all of the intermediate points between the Oregon-California State Line and San Francisco, over the two routes that you have indicated there?

A. Yes; that is true.

Q. Well, now, I would like to ask one other question then. Do you now have on file, or do you contemplate any application to perform intrastate service over the same routes, that
110 are covered by this application or these applications?

A. The question has never come up that I know of.

Q. Well, then, would the answer be that you have not, or do not comtemplate it; is that correct?

A. Not necessarily—The question has never come up.

Q. They are not on file at the present time?

A. What points are you speaking of?

Exam. KEPHART. If the question has never come up, obviously there wouldn't be any application on file, would there, Mr. Hedges?

Mr. HEDGES. I just want to be sure of that. I don't know whether Mr. James understood me.

The WITNESS. I don't know if I did, either; are you speaking of the points Seattle and Portland, or south of Portland?

Mr. HEDGES. I stated the application being heard here.

Exam. KEPHART. The entire routes?

Mr. HEDGES. Yes.

The WITNESS. We have local service over many of those.

By Mr. HEDGES:

Q. I didn't understand that.

A. We presently have local service over many of those routes.

By Exam. KEPHART:

Q. You say you have at the present time, intra service over——

A. (Interposing.) Many of those routes.

Q. Many of the routes for which interstate rights are sought in these applications?

111 A. That is correct.

Chairman TERRIL. Just a minute. I don't think the witness yet understands that.

By Exam. KEPHART:

Q. Confining your answer, Mr. James, to the routes for which interstate operation is now sought, the lines in blue on the map are—or in green?

A. We have no service.

Q. No intrastate service over any of these routes?

A. That is right.

Exam. KEPHART. That was the question.

Mr. HEDGES. I am sorry. I didn't follow that.

Exam. KEPHART. He said he had no intrastate service over any of the routes for which application was filed in this case.

By Mr. HEDGES:

Q. Do you have applications on file for intrastate service over any of those routes?

A. We have no intrastate applications on file over the routes shown in green.

Q. Or in blue?

A. Or in blue—with the exception of the route between Eugene and Chemult.

Q. Mr. James, I think you made the statement that you have—no; Mr. Weisler did—that you have north-bound tonnage of 110,000 pounds daily that is interchanged at Medford; is that correct?

112 Mr. SCHAFER. That was stated by Mr. Weisler.

Mr. HEDGES. Well, I am not so sure—I think Mr. James stated it too.

The WITNESS. No; I did not.

Mr. HEDGES. Oh, excuse me.

By Mr. HEDGES:

Q. I think you stated that, between Medford and San Francisco, to your knowledge, there were only three carriers operating on schedule—namely, Oregon-Nevada-California, Pierce & Pacific Truck Express. Is that a fact—that only those three carriers are operating between Medford and San Francisco?

A. I didn't qualify that statement properly. I should have said with established rights.

Q. Do you mean the files that have been finally determined aren't finally determined?

A. Yes.

Q. Do you know how many are operating at the present time?

A. No; I don't know how many.

Q. There are a number in addition, are there not?

A. No; there is not a number.

Mr. SCHAFER. At this point, Mr. Examiner, I would like to object. The protestants will all have their opportunity to show what their service is and if every attorney is going to ask this witness to recite the number of services which he is aware
113 of, it is going to prolong this proceeding unnecessarily.

Chairman TERRELL. I think this is the first time the question has been asked. If the witness can answer it, all right.

Mr. HEDGES. I am merely asking about a question the witness made answer to on direct examination, to see if I understood it correctly.

Mr. SCHAFER. I will withdraw my objection, then.

By Mr. HEDGES:

Q. You don't know the number of carriers, then?

A. I have a common knowledge of it. I know that Mitchell is operating. That is the only one that I know of that is operating between San Francisco and Oregon or Washington points, besides the three, of course, that I mentioned previously.

Q. Have you looked closely at Exhibit No. 7, Mr. James; are you familiar with the information that is contained on there?

A. The first time I saw it was this morning, and I only glanced at it for a few minutes.

Q. Then would you be able to tell me which of those pieces of equipment, which are shown on that exhibit, were trailers that came through or were interchanged between the two lines?

A. No; I wouldn't be able to, not specifically to point
114 them out.

Mr. HEDGES. I think that is all.

Cross-examination by Mr. JONES:

Q. May I ask a question, Mr. James, please, to clarify the service I think that you mentioned via Biggs, Oregon, in connection with the through service to the Yakima Valley and Spokane points. Referring to the map, Exhibit No. 1, I just wonder if I am clear on the route which you handle it on. Do you have present rights into Biggs on the south?

A. Yes.

Q. It is not just shown on the map, is it?

A. No; it shows the route into the Dalles; and the route that the trucks actually take will be through Biggs over the John Day—Sherman County Highway.

Q. Then I assume the ferry service for Yakima traffic will be there above Marybill?

Mr. SCHAFER. It was testified by Mr. Weisler that the Yakima freight would be handled through Portland.

Mr. JONES. As I understand it, then, the only tonnage would be handled for Umatilla and north of Spokane?

The WITNESS. That is correct.

Mr. JONES. That is all. Thank you.

Cross-examination by Mr. IVERS:

115 Q. Mr. James, in preparing this application, did you or anyone on your behalf make any investigation as to the present through service offered by the existing truck lines between Seattle and Washington and Los Angeles?

Mr. SCHAFER. At this point I want to renew the same objection I made a moment ago and point out that Division 5, Interstate Commerce Commission, in the William F. Crossett extension application rules on that and I will quote "None of the carriers were represented at the hearing, and no evidence presented as to the extent of their operating authority—no evidence upon which we may draw any conclusion as to their ability to perform the proposed service. The mere rights are not sufficient evidence of adequate existing service." And it goes on from that.

Now, it is purely up to the protestants here to put in their evidence as to the existing service. It will just prolong the case hours to go through this every time.

Chairman TERRIL. I think that probably is right. Generally speaking, it is up to the protestants to show at their own initiative the service that is available. I think I allowed sufficient questioning on that on previous cross-examination.

Mr. IVERS. The question I asked, Mr. Chairman, was whether he or anybody else ever made any investigation on the part of this applicant as to the existing service offered by truck lines.

116 He has testified that he knows of three, and he has common knowledge of a fourth.

Now, I want to find out if anybody has made a check on that or whether they just come in here and say, "We want this and therefore we are going after it," regardless of what the situation may be.

Of course, the protestants have to prove what their operating rights are.

Chairman TERRIL. Can you answer the question?

The WITNESS. (No answer.)

Mr. SCHAFER. May the record show that I have no objection to his answering. I am merely interposing my objection to save time.

Chairman TERRIL. I think if the answer can answer it, that it will do no particular harm.

The WITNESS. The question was, whether or not we made an investigation. The answer is that no investigation was necessary,

but in the common conduct of your business you know what lines are operating. You know in a practical way what they are doing.

By Mr. Ivers:

Q. From that practical knowledge, you know of only four such lines—those which you named?

A. That is correct.

Q. Then if there happened to be twelve or fourteen, how would you characterize their knowledge of the situation?

A. I would say that I was certainly blind and didn't know
117 what was going on.

Cross-examination by Mr. Farrens:

Q. Mr. James, how long have you been interchanging service with Oregon-Nevada-California Fast Freight?—

A. Many years. I think the interchange started in 1930.

Q. At that time were you the only operator running between Portland and Medford with whom the Oregon-Nevada-California Fast Freight was interchanging business?

A. I can't remember, Mr. Farrens, whether they were interchanging with other lines at that time or not. I think the service was initiated between our two lines; other than that, I couldn't say.

Q. Then this interchange condition has existed for approximately ten years?

A. That is right.

Q. And is the Consolidated Freightways, Inc., the only company with whom Oregon-Nevada-California Fast Freight is now interchanging freight?

A. No.

Q. What other company are they interchanging business with?

A. I think that could better be developed by some witness. I will give you my ideas. They are interchanging with Pacific Truck Express.

Chairman Terril. Do you know?

118 The Witness. I do not know accurately.

Chairman Terril. That is fine. Stop there.

By Mr. Farrens:

Q. Do you know whether your company gets the major portion of the business interchanged by Oregon-Nevada-California Fast Freight with other companies?

A. I think we do.

Q. Was there a time, Mr. James, when in addition to your company the Oregon-Nevada-California Fast Freight also interchanged business with Pierce Auto Freight Lines?

A. Was there a time?

Q. Yes; at Medford?

A. Yes.

Q. Do you know whether or not that interchange is still in existence?

A. I think it is. I do not know as of this date. I know it was true three months ago.

Q. Since Pierce Auto Freight Lines tried operating south of Medford into California, and San Francisco, do you know whether or not the amount of interchange between it and the Oregon-Nevada-California Fast Freight had decreased?

A. I do not.

Mr. BEROL. Just a minute.

Mr. FARRENS. He said he doesn't know, Mr. Berol.

Mr. BEROL. All right, then. I am satisfied.

By Mr. FARRENS:

119 Q. Now, you mentioned having an option to purchase a Reymers truck line and also the fact that the operating rights of that line were limited as to commodities. Can you tell me what commodities the certificate of the Reymers Truck Line entitles it to handle between Klamath Falls and San Francisco Bay?

A. They are very inaccurately described in the compliance order as being groceries and hardware with some other additions of specific commodities—two general headings of groceries and hardware.

Q. Do you remember what the specific commodities were?

A. No; I do not.

Q. Can you or your counsel, or someone in your company, give us reference to the order which placed the limitations which the Reymers Truck Line is authorized to handle?

Mr. SCHAFER. I think I possibly can. You will have to wait awhile for it, though, Mr. Farrens. I will produce it for you.

Mr. FARRENS. Will you give it to the record at your convenience, Mr. Schafer, but I want to get those things established.

By Mr. FARRENS:

Q. Now, your direct examination left me, Mr. James, in some doubt as to the precise service which your company proposes to give between Redding, California, and Lakeview, Oregon, via Highway 299 and 395?

120 A. We wish to use those two highways as a highway over which we may occasionally operate our trucks, either when they are fully loaded or when they are empty. We do not want to afford a daily service to any of the points located adjacent to those highways.

Q. Do you want to furnish any service to any point Lakeview and Redding on those two highways?

A. No; we don't want to give any service whatever.

Q. In other words, is it your intention, and would you be satisfied to have your certificate so limited—namely; to use Highway 395 and 299 solely as a bridge between Lakeview and Redding?

A. That is right.

Exam. KEPHART. The question is whether that is 299 or 295, Mr. Farrens—which is correct?

Mr. PERRY. I think you will find 299 is the correct highway.

Mr. FARRENS. I have a gentleman sitting beside me who assures me that it is 299.

Mr. SCHAFER. That is the route through Alturas.

Mr. FARRENS. The highway between Redding and Alturas on the up-to-date Shell Gas Company's map shows 299, if the Board please.

Exam. KEPHART. Well the record will show that there is a question, and we will settle it.

Mr. FARRENS. In any event, I am attempting to describe
121 by that number, if the Board please, the Redding-Alturas Route.

Exam. KEPHART. That is understood, Mr. Farrens.

By Mr. FARRENS:

Q. Now, if I correctly understood your direct examination, you propose to operate a "hot shot" schedule between the San Francisco Bay area and Seattle?

A. That is correct.

Q. And you propose to operate a "hot shot" schedule between San Francisco Bay and Portland?

A. That isn't so "hot"—It is a little cooler.

Q. Does that cool off by virtue of giving intermediate service?

A. North of Medford, Mr. Farrens.

Q. North of Medford. But it will be a "hot shot" service from San Francisco Bay points to Medford?

A. Yes.

Q. And is it also your intention to operate a through schedule, such as you call a "hot shot" schedule—between San Francisco and Spokane?

A. That is right.

Q. Now, what schedules will you operate between San Francisco and Spokane and serve points like Pasco?

A. Pasco and Kennewick will be served by that "hot shot" schedule.

Q. They will be served?

122 A. Yes.

Q. What other—will all intermediate points between Biggs and Spokane be served by that "hot shot" schedule?

A. Yes; all intermediate points north of the Sherman County junction.

Exam. KEPHART. Is that what you would call a "streamlined" service, Mr. James?

The WITNESS. I don't know.

By Mr. FARRENS:

Q. Now, the Sherman County junction is where—Bend?

A. North of Bend.

Q. Redmond?

A. North of Redmond. It is about Madras.

Q. It is about Madras?

A. Yes.

Q. Do you intend—Your route there is intended as being shown on the red line between Madras and The Dalles—It is on an unmarked highway between Madras and Antelope, is it?

A. That is right.

Q. So that this Spokane schedule that you have been talking about will serve all points north of Madras and between Madras and Spokane?

A. That is right.

Q. Would you handle shipments destined from San Fran-
123 cisco to Lapine?

A. No. That would go by one of the local schedules.

Q. Well, now, could you handle a shipment on that schedule, say to Klamath Falls from any point north of Madras?

A. That hasn't been decided. There would be very few shipments of that nature. We don't know whether we would route that through Portland on the locals or whether we would put it on the "hot shot." That hasn't been decided.

Q. Now, in addition to these schedules, will you be operating local schedules over the same route?

A. Yes.

Q. How frequently would those be operated—say between Klamath Falls from the south and Spokane on the north?

A. Oh, I misunderstood your question.

There is no local service between Spokane—no direct local service between Spokane and Klamath Falls. There is local service from Klamath Falls to Portland and another local service from Portland to Spokane.

Q. Then, as far as your local service is concerned, you would run across the Cascade Range from Maupia to Portland and then back on the Columbia River Highway to The Dalles; is that right?

A. No; local services come into Portland from Klamath Falls and Portland to Spokane—two local services.

Mr. SCHAFER. I believe that it is necessary to clarify
124 the record at this point. Apparently Mr. Farrens is attempting to convert a "hot shot" schedule into a local schedule and misunderstood the testimony.

Mr. FARRENS. What did you mean by "hot shot?"

Chairman TERRIL. Let's have "high balls" and "hot shots" and "red balls" all explained so that we will know what you are talking about.

The WITNESS. A "hot shot" schedule is a schedule that goes through to some fixed destination.

Exam. KEPHART. Truck loads and trailer loads?

The WITNESS. The equipment goes through to a fixed destination.

Exam. KEPHART. Without stopping en route?

The WITNESS. Not necessarily without stopping en route, but without stopping at all points en route.

Exam. KEPHART. But the equipment itself would go to a fixed destination?

The WITNESS. That is right.

Exam. KEPHART. It might stop at every point en route or it might stop at no point en route; is that right?

The WITNESS. Yes. However, it would stop every point then—However, if it stopped at every point, it would be doing the same service as the local. It is not a limited service in the sense that it serves between two points. It may serve between one point and three or four destinations.

125 Mr. FARRENS. And that is flexible, is it, according to the demands for service in between?

The WITNESS. The——

Q. (Interposing.) The number of intermediate points at which that will stop is subject to the demand from the intermediate points, is that right?

A. Yes.

Q. And if there is a demand for immediate service, it ceases to be a "hot shot" schedule?

A. No; it does not.

Q. No matter how many intermediate stops this "hot shot" makes, it is still a "hot shot" schedule, is that right?

A. You have to take a practical viewpoint, Mr. Farrens. The number of intermediate points you are serving, to get there on the scheduled time, is limited by the number you can serve and get there on your schedule.

Q. Now, between San Francisco and Spokane, how many points can you still serve and still furnish the delivery that you say you can give if this application is granted?

A. Our survey indicates that on that schedule we can serve San Francisco and make one stop enroute at Redding for the handling of Sacramento freight and make out first unloading stop at some point north of Redding, serving all the points north of Redmond to Spokane, as intermediate points.

Q. Now, I understood you on direct examination to ex-
126 press the opinion that if your application is granted and the applications of the Oregon-Nevada-California Fast Freight is likewise granted, that the result would be that the two companies then will approximately split the present business which is interchanged between them and Medford; is that correct?

A. What do you mean, by approximately split?

Q. That one would get half of it and the other would get the other half?

A. I didn't mean to make a statement on the portion that each one would get but I think each line would get a portion.

Q. You think that each line would get a substantial portion?

A. That is correct.

Q. The headquarters of the Oregon-Nevada-California Fast Freight are in San Francisco?

A. That is correct.

Q. And your headquarters are here in Portland?

A. That is correct.

Q. Are you of the opinion that the split in business which would thus occur would be an equal split as between north- and south-bound business?

A. I don't understand your question.

Q. Well, in other words, don't you think that your company, being a Pacific Northwest concern, would be likely to hang on to the south-bound business which it originates, and that your Oregon-Nevada-California company, being a San Fran-
127 cisco concern, would be likely to hang on to the north-bound business which it originates?

A. No; I do not think that at all.

Q. Well, if this split which you anticipate would occur in the freight which is now interchanged at Medford, it is your opinion, is it, that each company would get a substantial portion?

A. Yes; it is my opinion that each company will get a substantial portion.

Mr. FARREN: That is all.

Cross-examination by Mr. PERRY:

Q. Mr. James, what service will be given by your company, in this case this application is granted, between points north of Coquille on the one hand and points in California on the other hand, on Highway 101?

A. Between—What was that?

Q. What service would be given between points north of the Coos Bay district on the one hand and points in California on the other hand—on Highway 101?

A. What service—Well, at Portland the service will be second morning.

Q. Well, perhaps I didn't make myself clear. Is it your intention to transport freight for the points—say Eureka and Crescent City—between Eureka and Crescent City and Portland on the other, by way of Coos Bay?

128 A. The application reads in that manner. Are you thinking about Eureka in particular?

Q. Well, I am thinking about the intermediate points south of the Oregon-California line—Highway 101, intermediate to San Francisco; particularly points as far south as Eureka?

A. What was your question again? You have got me all screwed up.

Chairman TERRIL. Will you read the last question?

(The last question was read.)

The WITNESS. I can answer that in my own way. Most of the traffic from Portland to Crescent City—to particular points, is south-bound: our service over 101 would leave Portland in the evening and arrive at Marshfield in the morning but lay there until twelve o'clock before it starts south and so our service into Crescent City would be less—before—than our service that we are now giving through a connecting carrier at Grants Pass, so we would continue to handle that point through Grants Pass.

Mr. PERRY. It will be through Eureka, will it not?

The WITNESS. Wherever that is true, we would favor the fastest route, even though it involves short hauling.

Mr. PERRY. Well, it is your intention, then, where it is possible to serve all of those intermediate points, there is no service which can compete with your connecting carrier service?

129 The WITNESS. We are asking for the right to serve those points which will establish two routes, but we are in favor of the fastest route.

Mr. PERRY. That is all.

Chairman TERRIL. Berol.

Cross-examination by Mr. BEROL:

Q. Mr. JAMES. What size equipment is it that you propose to use on this "hot shot" schedule, to Seattle and to Spokane; will that be a truck and semi or truck and trailer?

A. Truck and trailer.

Q. And what do you expect to carry in the capacity of a pay load?

A. Well, it will be approximately fifteen tons.

Q. Fifteen tons?

A. Yes; depending very largely upon the character of the freight. Under present Oregon laws, the body space is limited to about 40 feet.

Q. Now, with respect to tonnage that you are receiving from the Oregon-Nevada-California Fast Freight and the Medford-Klamath Falls at the present time, would it be safe to say that a majority of that traffic is traffic which is destined to points in Oregon?

A. I don't know.

Q. Could we, for the sake of discussing this, divide the
130 type of freight that is received by your line generally as freight going to Oregon points, western Washington points, and eastern Washington points?

A. Would you restate your question?

Mr. BEROL. Will you read it, Mr. Reporter?

(The last question was read.)

The WITNESS. Well, it could be so divided.

By Mr. BEROL:

Q. Now, if we so divided it for the purpose of considering this, could you tell me as to whether the freight going generally to western Washington would be handled by you if your application was granted in the "hot shot" schedule running to Seattle?

A. Western Washington—the freight from the Bay area to western Washington points, the majority of the Western Washington points would be handled through Klamath Falls, over the Sherman County Highway.

Q. Would it move on this direct route between the Bay points and Seattle?

A. Yes—No; not the Bay points and Seattle.

Chairman TERRIL. Just a moment—Do you mean western Washington or eastern Washington?

The WITNESS. Oh, I am talking about eastern Washington.

By Mr. BEROL:

Q. My question was western Washington.

A. Oh—The freight to eastern Washington points—Do you mean Seattle and Tacoma?

131 Q. Yes.

A. That would move through Klamath Falls over the Willamette Highway through Portland to Seattle and Tacoma.

Q. Now, generally, would the freight destined to eastern Washington move over the so-called "hot shot" schedule to Spokane?

A. That is right.

Q. Now, those two schedules are schedules that you are proposing to inaugurate immediately as and when your application should be granted, is it not?

A. That is correct.

Q. Now, have you any assurances from the shippers in the San Francisco Bay area, at the present time, as to how much freight will be tendered to you for transportation for Washington points by those shippers?

A. I believe those shippers will be here to testify as to that.

Q. I think that the testimony was that approximately 110,000 pounds a day on the average was delivered to you by the Oregon-California Fast Freight at the present time. Now, that includes not only freight originating at San Francisco Bay points, but also from other California Bay Points, at other California points south of San Francisco, does it not?

A. I didn't make the analysis.

Q. Have you any hopes of being able to attract to your line more than 50% of the freight originating for the northern
132 territory from California points?

A. You mean personal hopes?

Q. I mean as far as your company is concerned.

A. I have always been very optomistic.

Q. Well, can you reasonably expect that if this certificate is granted that you will enjoy more than 50% of the freight originating in California destined to points in this territory?

A. I don't think, Mr. Berol, that the freight moving is a fixed quantity. It is a constantly increasing quantity.

Q. I want to know, Mr. James, upon what you predicate your estimate that you are going to be able to attract a sufficient amount of freight from the California points to justify running a daily "hot shot" schedule to Seattle and Spokane.

A. It is predicated on two things—one the constant increase in the present tonnage; the ready acceptance of the shippers of the through trailer service; and then the requests of the shippers themselves for additional through service.

Q. Now, with respect to those schedules, isn't this a fact: That they will be operating in accordance with sound practical trucking operations; and if you have a sufficient amount of freight to justify such a movement to Seattle, the schedule will move;
133 and that in the event you don't have enough freight to justify such a movement to Seattle, then you will handle it by switching at either Medford or Tacoma or wherever it will be practically sound and feasible to do so?

A. Well, I would say, and reasonably suppose, that if the traffic was so unprofitable that we couldn't maintain the service, we would

abandon it. We have every expectancy of being able to maintain the service we propose.

Q. Now, Mr. James, I was very much interested in your analysis of the reasons of your company to file this application you have. Tell me, over how long a period of time has your company had under consideration the filing of the application which is being heard here now?

A. Well, it is a good deal according to who you mean by "our company." The people in our company, some of them, have been urging the advisability of doing it over a long period of time—quite a long period of time; others felt that it was not——

Q. (Interposing.) When was the determination finally made by the company, itself, to proceed with this application?

A. Oh, at about the time we filed the application.

Q. And that was some time in December of 1939?

A. Yes. I think it was.

Q. Now, Mr. James, there has been some mention made of an organization called the Freightways organization. Will you explain briefly for the record what this is?

A. The Freightways organization is an organization
134 through which carriers who are not competitive may associate themselves and adopt uniform methods of handling freight. It is primarily intended to increase the amount of interline traffic between companies by standardizing the equipment and standardizing the practices and familiarizing the employees of one company with the problems of the other company.

Q. Now, such an organization has been perfected, has it not?

A. Yes, sir.

Q. And over how long a period of time has it been in operation?

A. I can't tell you exactly.

Q. Approximately?

A. About since the first of the year.

Q. About since the first of the year of 1940?

A. Yes.

Q. Now, was the Oregon-Nevada-California Fast Freight incorporated and its management approached with respect to joining the organization known as the Freightways Organization?

A. Yes.

Q. And what was their response to that invitation?

A. I don't think we ever got a direct answer—a "no" or a "yes" on it. It was always that the matter would be considered later.

Q. I hand you, Mr. James, a letter dated May 27, 1938, purportedly addressed to Mr. J. A. Gritsch, Oregon-California
135 Fast Freight, 675 Brannan Street, San Francisco, Cali-

fornia, and ask you if sheet 2 of that letter bears your signature? signature?

A. It does not. I think the letter was dictated by me and not signed nor read. That is my stenographer's signature.

Q. In other words, that is the writing "Lee James," signed by your stenographer?

A. Yes.

Q. Was it signed by your stenographer with your authority?

A. Just a minute, and I will read it. Yes; I dictated that letter.

Q. Now, while your counsel is examining that letter, I call your attention to a letter dated October 30, 1939, addressed to Mr. J. A. Gritsch, Oregon-Nevada-California Fast Freight, 675 Brannan Street, San Francisco, California, and ask you if that signature is your signature?

A. That is.

Mr. SCHAFER. Proceed, Mr. Berol.

Mr. BEROL. Thank you.

Mr. SCHAFER. Before any attempt to read this into evidence or to offer it as an exhibit is made, I would like to have you change your position here. You have intervened as your interests may appear. Now, I want you to state what your position here is and what you hope to prove by this evidence.

Mr. BEROL. Oh, I don't think I should be required to
136 state my position at this time. I think I have asked that I be permitted to appear here as our interests may appear. I haven't yet determined as to what our interests may be, and I think that at the time I do I will state my position.

Now, if the Board and the Examiner please, I will ask that the letter described, dated May 27, 1938, be received in evidence as document number next in order.

Mr. SCHAFER. I am going to ask for a statement of proof.

Exam. KEPHART. Are they different matters?

Mr. BEROL. They all pertain to the same subject matter, and I think they might be given a letter to identify them—"A" and "B."

Chairman TERRIL. Is there any objection?

Mr. SCHAFER. I don't know whether it is objectionable or not. I don't know what he is trying to prove by it.

Mr. BEROL. The next letter is a letter stating "Dear Joe"——

Exam. KEPHART (interposing). If you are going to offer that in the record, you don't need to read them.

Mr. BEROL. I want to read them for two reasons, Mr. Examiner, unless you are willing to waive the reading. I don't have any copies for any parties and I certainly want it incorporated in the record. That is the only way I will be able to refer to it on either brief or argument.

Now, if you suggest that the reading be waived, I will certainly waive it, but I do want it in the record.

137 Exam. KEPHART. Well, we can have copies in the record.

Chairman TERRIL. You have them identified?

(Exhibit 9–A and 9–B, Witness James, marked for identification.)

Chairman TERRIL. If you are going to read them into the record, there is no use in incorporating them as an exhibit, is there?

Mr. BEROL. Not primarily; only my understanding is that without them being received in evidence, I don't have the right to read it into the record.

Exam. KEPHART. We never duplicate. If the exhibit is read into the record, you don't need to offer it in the record.

Mr. BEROL. Off the record, let me ask that this and the two subsequent exhibits I am going to offer be furnished to me at my own expense by the reporter. That will serve my purpose.

May I ask that the letter described, dated October 30, 1939, be received in evidence as exhibit 9–B.

Mr. SCHAFER. I am going to object, in the absence of any idea as to what he is offering to prove. I can't tell whether it is relative or not.

Chairman TERRIL. They will be received for identification—both 9–A and 9–B.

By Mr. BEROL:

Q. Now, calling your attention to the document identified
138 as Exhibit 9–B and I will ask you as to whether or not you received a reply to that?

A. Well, I don't know.

Q. Calling your attention to a letter dated November 3, 1939, addressed to Leland James, Consolidated Freightways, Inc., I will ask you as to whether or not you received the original of that letter?

A. Mr. Berol, I couldn't say positively, but I think I did.

Q. And in response to the letter of October 30, 1939, J. A. Gritsch replied with his letter of November 3, the last paragraph, of which reads, "Regarding Freightways, Frank and I have discussed this several times, but as yet have not been able to reach a decision." And you indicated that you received that letter?

A. Yes.

Q. Now, let me ask you, Mr. James—did the general subject-matter and your letter of inquiry of October 30, 1939, and the letter of response by Mr. J. A. Gritsch of November 3, 1939, wherein he indicated that he and his brother Frank had not yet decided about joining Freightways, did that have any influence upon your organization in causing the filing of this application?

A. Yes; it did.

Q. As a matter of fact, it had a substantial influence, did it not?

A. Yes; it had a substantial influence.

139 Q. Now, similarly, let me ask you if the Oregon-Nevada-California Fast Freight, Inc., had at that time, pursuant to your application joined the organization of Freightways if this application still would have been filed?

A. I couldn't say as to that. It would depend upon whether or not Freightways was able to iron out the difficulty we were finding with the existing service. If we could have ironed out the difficulties, that were developed in the joint service, it would have been unnecessary to propose a through service; but we don't yet know that we can iron out those difficulties.

Q. Now, let me ask you: You stated, pursuant to other questions, that the Oregon-Nevada-California Fast Freight, Inc., has an application pending before the Commission, under which it seeks to extend its service to the Portland area. In the prosecution of your application, at the present time, is it your view that you still want your application granted if the Commission at the same time should grant authority to the Oregon-Nevada-California people to extend their services into Portland?

A. That is correct.

Q. Now, is it also your view that, insofar as the volume of traffic is concerned, in this territory, that the traffic is sufficient to require both services by the public?

A. That is correct. In my opinion, both companies could

140 do a better job of it and make more money for themselves on two through services than the present joint service.

Q. And so far as you are concerned, would your company have any objection to the granting of the application of the Oregon-Nevada-California Fast Freight if it also grants your application?

A. I, personally, have no objection.

Mr. BEROL. I think that is all.

Cross-examination by Mr. ADAMS:

Q. Mr. James, are you in a position to testify concerning the details of the Reymers option?

A. I didn't hear you.

Q. Are you in a position to testify concerning the details of the Reymers option?

A. Yes; I think so.

Q. Well, has the application been filed with the Interstate Commerce Commission?

A. No.

Q. Is the option such as to provide that it will not be exercised unless this application is turned down?

A. No; the option is taken subject to approval by the Interstate Commerce Commission, but it becomes effective with their approval.

Q. You have exercised the option and it is up for sale?

A. Subject to approval.

141 Q. And I assume, if you get the authority between California and Oregon and Washington, that you are thinking that Reymers will be merged?

A. Yes; it will be merged.

Q. I assume that your proposed schedules to different points are predicated upon the thought that the traffic available will justify such fast schedules; isn't that so?

A. Yes, Mr. Adams. Our contact with the shipper and our knowledge as to what is presently moving makes us very firmly believe that there is plenty of traffic moving.

Q. Are you familiar with Exhibit 2—that is the proposed time schedules?

A. Yes.

Q. Wherever you have shown a substantial shortening of time, that has been to points where you thought the traffic was of sufficient volume to justify a shortening of schedule?

A. That is correct. You will notice that both of those terminate at many different places—one at Spokane and one at Seattle and the traffic to those major points will justify that fast schedule.

Q. Do other companies have authority to operate between Portland and Spokane, for example?

A. Between Portland and Spokane?

Q. Yes.

A. Yes; there are several other companies.

142 Q. There are some three or four other motor carriers?

A. I think there are three operating between Portland and Spokane.

Q. Well, on Spokane-California business, such other carriers participate to the extent of a haul between Portland and Spokane, don't they—on Spokane-California business at present—take the Spokane Pacific as far as Spokane-California business is concerned——

A. I think the other carriers have through rates with other carriers to San Francisco and handle some traffic.

Q. Do you expect to develop some additional business, by reason of your reduced schedule, between Spokane and San Francisco—Don't you?

A. Yes, we do.

Q. Would it be fair to assume that the Spokane-Portland operators would lose some business on account of the fact that you will give a shorter schedule?

A. On account of improved service, I think they would; yes.

Q. Have you made any investigation to ascertain what effect your proposed service between Spokane and San Francisco will have upon the service of the Spokane operators, for example?

A. No; I have not.

Q. Are you in a position to state what effect any of your proposed through service schedules will have upon the business of any carrier who competes with you in Oregon and Washington?

143 A. Your question is too broad.

Q. Well, in conjunction with your application, did you make any study to ascertain what effect the service that you propose will have upon other carriers who compete with you?

Mr. SCHAFER. I am going to interpose the same objection as before to this line of questioning; obviously our burden here is to prove public convenience and necessity.

Mr. ADAMS. I submit that this is one of the elements of that.

Mr. SCHAFER. Mr. Adams is attempting to draw out on cross-examination purely conjectural matters that this witness couldn't possibly be qualified to answer.

Chairman TERRIL. Can you answer the question, Mr. James?

The WITNESS. No; I could not.

Mr. ADAMS. That is all.

Mr. BEROL. If the Board and the Examiner please, I believe that Exhibits 9-A and 9-B were only marked for identification. I will offer them in evidence at the present time. I think the purpose of the offer is very clear by now.

Mr. SCHAFER. I have no objection.

Chairman TERRIL. They will be received and marked as "Exhibits 9-A and 9-B" in evidence.

(Exhibit 9-A and 9-B, Witness James, received in evidence.)

Mr. BEROL. I think this is an appropriate time to give

144 the reference to the docket number under which the Commission authorized the acquisition of the Pacific Truck Express by the Pacific Motor Trucking Company—Docket No. MCF-763, decided April 30, 1940.

Exam. KEPHART. Do you have the volume reference, Mr. Berol?

Mr. BEROL. I do not, Mr. Examiner; no.

Mr. ADAMS. May I make an inquiry? Mr. Schafer, do you desire that the parties here question Mr. James about Exhibit No. 2?

Mr. SCHAFER. Exhibit No. 2—Which one is that?

Mr. ADAMS. That is the time schedule. Are you familiar with Exhibit 2?

The WITNESS. Yes.

Mr. SCHAFER. I presume that he is familiar with it, and therefore would have no objection to answering your questions.

Mr. ADAMS. I would like it to be understood at this time that we would like to have the opportunity to study Exhibit 2 over tonight, if Mr. James could be here in the morning, so that we could examine him on it. It is quite a complicated exhibit.

Mr. SCHAFER. I am sure that there will be some future opportunity to cross-examine Mr. James on this, but I am not sure that there would be time for it tomorrow.

145 Chairman TERRIL. We will see to it that you are given an opportunity to cross-examine Mr. James, or some proper witness, on that exhibit, Mr. Adams.

Mr. FARRENS. I desire the same opportunity, please.

Chairman TERRIL. It will be offered to all of you. Mr. Hickson.

Cross-examination by Mr. HICKSON:

Q. Mr. James, leaving out the heat of the Sacramento Valley, and those "hot shot" schedules and going over to the cool breezes of the Pacific Coast for the moment on U. S. Highway 101, I understood you to say, in your direct testimony here, that you didn't propose to render any service, interstate service, between any two points in the State of California. Did you mean that?

A. That is correct.

Q. And assuming that you are given rights over 101?

A. That is correct. I think the application is limited to that extent.

Q. In other words, then, you would not accept shipments at San Francisco which came in by boat or rail from some other state and transport it over U. S. Highway 101, we will say, to Crescent City, California?

A. That is correct.

Q. And is the same thing true in the opposite direction, so far as Oregon is concerned—you would not accept a shipment,

146 for example, at Marshfield and deliver it to Gold Beach or to any part north of the California State Line?

A. We didn't so limit the application.

Q. Well, let me ask you this then: Do you propose to do that?

A. We don't propose to encourage that type of traffic.

Q. For instance, regardless of whether you encourage it or not, you propose to handle that traffic if it is granted to you?

A. Yes; if the application is granted, we would have to handle hat.

Q. And how many points would you handle between Marshfield and the Oregon-California State Line?

A. All of the points under the application as now amended.

Q. Then, when your truck leaves Marshfield, Oregon, as I understand it, and start south over U. S. Highway 101 for San Francisco on a daily schedule, you would render a local service to all points between Marshfield and the Oregon-California State Line?

A. That is correct. However, if you will note, the schedule is not calculated to correct that.

Q. I understand; but do you propose to handle that on your truck that goes through to California?

A. Yes.

Q. What type of equipment will that be?

147 A. Truck and trailer.

Q. You will make stops, then, at Coquille, Riverton, Bandon, Langlois, Port Orford, Wedderburn, Gold Beach, Brookings, and Smith River, would you?

A. Yes; if the application is granted we would have to give that service.

Q. And going in the reverse direction, do you propose, if you are granted this authority, to pick up shipments that originate at the points I have last named, destined to points north of Marshfield, in interstate commerce?

A. Yes.

Q. You would do that?

A. Yes.

Q. Let me ask you, then—Do you propose, if you are granted rights over U. S. Highway 101, to pick up freight on north-bound movements, say, for example, at Eureka, Klamath, Orick, and such points as that, and transport it to points in Oregon?

A. That is correct.

Q. And you would accept a shipment at any point between the Oregon-California State Line and San Francisco and transport it to any point that you have a right to serve in Oregon?

A. That is right.

Q. And you propose to do that on your truck and trailer that you are going to operate through on a through schedule?

A. That is correct.

148 Q. Well, now, Mr. James, did you have anything to do with the preparation of Exhibit No. 2?

A. Yes; I did.

Q. Let me ask you something here, if you will please, if I can find it: Turning to page—I think the page is 53 of the exhibit—Let's see if I am right about that.

Turn to page 30 of that exhibit. Now, do I understand that where the words "present" and "proposed" are used, that means the present Consolidated service and the proposed Consolidated service; is that correct?

A. Well, the present isn't essentially a Consolidated service. It is the present motor freight service, as near as we can find out.

Q. Not wholly, but it is the present service operating conjunctively with you and the other carriers?

A. Yes.

Q. Now, will you refer to the name "Coquille" in the left-hand column—Coquille, Oregon, and under the heading of that column it says, "from Coquille, Oregon, to San Francisco, California?"

A. Yes.

Q. Do you get that?

A. Yes.

Q. And under the item "Present service" it shows second-morning delivery; isn't that correct?

A. Yes.

149 Q. And in the proposed service you are going to give first-afternoon delivery?

A. First morning, isn't it?

Q. First afternoon it says on my copy.

A. Oh, yes.

Q. Now, let's go down to Marshfield, Oregon. There will be no improvement in service there, will there?

A. No.

Q. Both second-morning delivery. Now, let's go over to the item, North Bend. Do you find that?

A. Yes.

Q. And what does that show with reference to deliveries at San Francisco?

A. First morning.

Q. First morning. Now, there is North Bend with reference to Coquille—is it north or would it be south?

A. North Bend is north, I would say.

Q. About twenty-one miles north of Coquille, is it not?

Mr. SCHAFER. Couldn't we shorten this by asking what the proposed service is from Marshfield?

Mr. HICKSON. I want to find out how correct this exhibit is.

By Mr. HICKSON:

Q. It is a fact, is it not, that North Bend is about twenty-one miles north of Coquille, that is about approximately correct, isn't it?

150 A. Well, I assume it is; yes.

Q. And according to that, it would be about twenty-one miles farther from North Bend than it is from Coquille?

A. Yes.

Q. Then, can you explain how you would give better and faster service from a more distant point on the same truck?

A. Well, I assume the freight moving out of Coquille would be routed out of Medford and on the other it would be routed on an afternoon service out of Marshfield.

Mr. SCHAFER. We admit that he has discovered an error on our exhibit.

Mr. HICKSON. Well, it is three errors; isn't it on one page?

The WITNESS. The service on the through service that leaves Marshfield will leave there about noon, and will get into San Francisco the next morning. Now, that will pick up all the intermediate points south of Marshfield. That is what the time schedule should show.

Mr. HICKSON. But the time schedule on this page is incorrect?

The WITNESS. Well, if it doesn't show that.

Mr. SCHAFER. The witness had something to do with the preparation of this exhibit, but he did not prepare it, and it was not introduced by him. The witness that prepared it will be on the stand to testify later.

151 Mr. HICKSON. Now, this exhibit is going in to the Commission and is going to be evidence on which the schedule will be operated. Now, it shows right on its face that some of the savings that purport to be effected can't possibly come about. Now, I don't want the exhibit to go in without being challenged as to its correctness.

Mr. SCHAFER. We will be glad to have you pick up any errors that may be apparent.

Mr. HICKSON. You will have another witness on that?

Mr. SCHAFER. He will be on the stand later.

By Mr. HICKSON:

Q. Now, Mr. James, this service between Marshfield and San Francisco, that is primarily a Marshfield-San Francisco service, isn't it—through service—not so much a local business?

A. You reload at Marshfield for San Francisco.

Q. Well, you are primarily interested in the Marshfield-San Francisco business?

A. I would say Coos Bay area. That is where the bulk of the business is from and to.

Q. And if this certificate is granted, that is where you will expect to get the bulk of your business, is in the San Francisco and Coos Bay area?

A. That is correct.

Q. And it is also a fact, is it not, that that area now has a service to San Francisco through Medford?

152 A. Yes.

Q. Yes; but there is a lot of the local people between Marshfield and San Francisco that have to depend largely upon local carriers to give them service to these intermediate points; isn't that true?

A. Yes.

Q. Of course, you don't undertake to know anything about the financial condition or the profits or losses by these carriers operating between Coquille and San Francisco?

A. No.

Q. You don't know whether they could stand any substantial loss of tonnage or not?

A. No.

Q. Have you made a study, Mr. James, of the highway conditions on U. S. Highway 101, south of Coquille?

A. Not personally.

Q. You have not?

A. Not personally; no.

Q. You have been over the highway, have you not?

A. Yes.

Q. State whether or not that was built primarily as a scenic highway. Isn't that the fact?

A. I couldn't answer that. I knew that it is being used by commercial vehicles probably about as much as by others.

Q. The Greyhound buses run over that, too?

153 A. I think they do.

Q. And it is pretty curved and pretty narrow, isn't it?

A. It is pretty well straightened out now.

Q. Isn't it pretty curvey south of Gold Beach?

A. It is no worse than the road we operate on.

Q. You wouldn't say U. S. Highway 101 was comparable for driving conditions of motor trucks, to 99, would you?

A. Well, in some respects it is even preferable.

Q. In what way?

A. Well, so far as the elevation is concerned; you don't have to climb up the elevation. As far as the length it runs is concerned, it is a disadvantage—as far as—there is no mountains on the road and there are no snow conditions.

Q. You say it is a longer route; is it?

A. Yes.

Q. Than 99?

A. Yes.

Q. What about fog conditions—Do you get fog on the Coast?

Mr. SCHAFER. The Columbia Route from there to San Fraircisco.

Mr. HICKSON. San Francisco to Marshfield?

The WITNESS. Oh, no; not from San Francisco to Marshfield and Portland.

Q. Portland. Well, from San Francisco to Medford it is longer, isn't it?

154 A. From where?

Q. From San Francisco to Medford on the Grants Pass?

A. I don't get your question.

Q. Well, I say, it is longer from Grants Pass than it is over 99?

A. Yes.

Q. A longer route. Now, it is natural, assuming now Mr. James that some of the tonnage at least that you handle over U. S. Highway 101 will be taken away from your tonnage, that will ordinarily flow over your U. S. Highway 99?

A. Yes. As a matter of fact, this schedule coming up over 101 can be loaded with freight from San Francisco to Portland but——

Q. (Interposing.) You don't contend that by the service over 101, that you are going to create any new traffic that isn't moving now, do you?

A. Oh, yes.

Q. What will you move that is not moving now?

A. I think the shipper witnesses are better qualified and able to testify on that, than I am.

Q. You have in mind that some San Francisco shippers will contend that they are not moving north in Oregon by virtue of the fact that they haven't the through service, is that what you have in mind?

A. Yes; there is a lot of potential traffic.

155 Q. Whatever traffic moves north, then, out of San Francisco from that territory would be taken away from the Portland area would it not—You wouldn't get south-bound?

A. That is a big conjecture on my part.

Q. Now, this schedule, Exhibit No. 2, doesn't show the arrival and departure time but I believe you told me that your trucks outbound from Marshfield to San Francisco will leave Marshfield in the afternoon?

A. That is correct.

Q. And you would render a schedule from Marshfield to Crescent City?

A. That is correct.

Q. Now, how would that service be any better than the—say, the Central Transfer Company, from Marshfield to Crescent City?

A. I don't think it would be.

Q. You don't think it would be?

A. That is right.

Q. As far as that goes, you wouldn't leave Marshfield and deliver to Crescent City; isn't that a fact?

A. I do know whether that is a fact.

Q. What is the fact, as to whether you serve north-bound from Crescent City into Marshfield?

A. I am not familiar with Central Transfer.

Q. Then you don't know whether that service would be
156 any better than Central Transfer is now giving, do you?

A. Well, Jack, I think that local business there would continue to move on the local schedules. There is the same condition there—For instance, at Crescent City—From Portland to Gold Beach we are interchanging transfer. That service will continue.

Q. But there would be nothing to stop you once you were granted a certificate?

A. Only the fact that we couldn't give an equal service.

Q. But you would take from the Central Transfer Company or any other carrier operating south from Coquille, who takes such traffic as you might pick up that is now moving into California points?

A. That is correct.

Q. And you would also take from the Central Transfer Company traffic coming north from the Crescent City Gateway that originated in California?

A. That is correct.

Q. You don't propose to run any local service over the local routes to any of the intermediate points?

A. We are not at the present time proposing that.

Q. Do you have that in mind for the future?

A. It has never come up for discussion.

Q. I forgot to ask you, Mr. James—Do you propose to give agencies at any point intermediate between Marshfield and
157 Crescent City?

A. Yes.

Q. At what points?

A. We have an agency now at Coquille.

Q. South from Coquille what do you expect to have?

A. We expect to establish a commission agent.

Q. Well, you don't mean that you would have any terminal or warehouses or stations?

A. A commission agent may be a service agent or it may be a local transfer man. It may be——

Q. (Interposing.) But you haven't any of those established as yet?

A. No; we haven't any of those established.

Q. How large does a town have to be before it warrants the establishment of a local agency?

A. It depends upon the amount of service you are giving to that town.

Q. Are you familiar with this territory south from Coquille to Gold Beach and around Crescent City?

A. Yes.

Q. What is the nature of the country there, Mr. James—Isn't it a very narrow strip of highway along the Coast and you immediately get back into the timber and the forest reserve?

A. That describes it—the majority of it.

Q. What would you say would be the total population of
158 that whole territory?

A. I couldn't say.

Q. From Coquille south?

A. I don't know.

Q. There isn't any town with a population between Coquille and Crescent City, with a population of over 300 people, is there?

A. I don't know.

Mr. HICKSON. I think that is all.

Chairman TERRIL. May I ask one question, Mr. James. Do you have any Oregon interstate rights on 101 south of Coquille?

The WITNESS. No, sir; we have not.

Mr. SCHAFER. May I defer my redirect examination with Mr. James and put on some shipper witnesses who are here now?

Chairman TERRIL. How much redirect examination are you going to have?

Mr. SCHAFER. I don't think it will be more than five minutes. I thought we would have a recess.

Chairman TERRIL. Let's finish this now, then, and then we will have a few minutes' recess.

Mr. SCHAFER. All right.

Redirect examination by Mr. SCHAFER:

Q. Mr. James, are you going to plan on putting on your own pick-up service in Oakland when and if the Consolidated terminal is built there?

A. Yes; we planned on that.

159 Q. And with respect to your depreciation rate, as shown on your financial statement, and your testimony in connection with it, I will ask you: Does your depreciation rate there have any relation to your maintenance policies?

A. Yes; it has a direct relation to the depreciation basis.

Q. Will you explain that answer, please, Mr. James?

A. The maintenance—our plan of maintenance is calculated to keep the equipment in a continuous state of usability.

As new units are developed, and by new units I mean motors or transmissions or rear ends, that are better than the ones that we are presently using, they are installed in the equipment, if the advantage is enough to justify it. Therefore, the equipment is kept modern at all times. For that reason, it isn't necessary to discontinue equipment.

Of the line-haul equipment that we presently have, there have been no instances of where we have found it necessary to trade in or

discontinue the use of the equipment because it has been currently kept modern.

Q. Now, does Consolidated Freightways conform to the accounting methods as prescribed by the Interstate Commerce Commission?

A. They do.

Q. Now, with respect to these thru trailers at Medford, are they necessarily delayed until the truck goes on or until you have
160 a truck at Medford all ready to take your trailer when it comes? The question I am asking is whether the trailers can be operated through independently of the transfer necessary with respect to the trucks?

A. There is no motive power in the trailer. They have to wait for the truck to be loaded.

Q. Now, Mr. Ivers asked you whether you were familiar with all of the operators operating between Seattle on the one hand and California points on the other. I believe you stated that you were. Did you mean that answer to apply to irregular route services or irregularly scheduled services?

A. I meant the answer to apply only to those substantial operators whom you meet in your every day contracts in soliciting business. I meant for it to be a practical answer.

Mr. SCHAFER. That will be all of the redirect for the moment.

By Exam. KEPHART:

Q. Mr. James, are you familiar with all of the Commission's rules regarding safety appliances and the hours of labor and so on?

A. I am not familiar, but we have men who are familiar with that.

Q. Do you expect to follow all of those rules in your contemplated service?

A. Yes, sir; we do.

Chairman TERRIL. You have nothing further?

Mr. SCHAFER. That is all on the redirect.

161 Mr. HEDGES. Is Mr. James coming back? Are we going to recess?

Chairman TERRIL. We are going to recess. I thought everybody was through with cross-examination.

Mr. SCHAFER. I just finished my redirect.

Chairman TERRIL. Unless there are some questions on the redirect.

Mr. HEDGES. I think you stated that you were going to be back before the hearing is over; isn't that correct?

Mr. SCHAFER. He has been cross-examined.

Mr. HEDGES. You stated a moment ago here you were going to produce him at a later time for cross-examination, I think on Exhibit 2 for one thing.

Mr. SCHAFER. No; Mr. James didn't prepare Exhibit 2. Mr. Weisler will be available for cross-examination at a later date and, if necessary, I think Mr. James can be available at a later date.

Chairman TERRIL. It was definitely understood that witnesses were going to be available for cross-examination on exhibit No. 2. As to whether it was Mr. James or Mr. Weisler, I don't know, but it certainly would be subject to cross-examination. We will recess at this time for a few minutes.

(Recess.)

Chairman TERRIL. Let's be in order, gentlemen.

162 Mr. SCHAFER. Will you take the stand and be sworn, please, Mr. Heydenburk.

E. S. HEYDENBURK was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. State your full name for the record, please.

A. E. S. Heydenburk [spelling].

Q. And are you with the Rogue River Hardware Company?

A. I am.

Q. What is your title there?

A. President of the corporation.

Q. How long have you been connected with that business?

A. A little over five years.

Q. Will you describe your business briefly, whether it is wholesale or retail?

A. We do principally a retail business. However, we have a wholesale department and do considerable wholesale. We have hardware, plumbing, and heating supplies and do electrical and sheet metal contracting, as well.

Q. Is that one of the largest hardware companies in Grants Pass?

A. It is the largest hardware store in Grants Pass.

Q. And what territory around Grants Pass does your trade come from?

A. our trade comes from over nearly to Medford on the
163 south—and from as far as Crescent City west, and north as far as Roseburg.

Q. Are you familiar with the transportation problems between San Francisco and Grants Pass?

A. I feel that I am. We get quite a few shipments there.

Q. Do you control the routing from San Francisco?

A. We do.

Q. Did you say you do receive stock from San Francisco?

A. Yes; quite a large percentage of our business is picked up in San Francisco.

Q. What commodities are those?

A. Principally hardware—the principal shipper being Baker Hamilton Pacific in San Francisco.

Q. Is that a wholesale hardware house?

A. That is a wholesale house.

Mr. FARRENS. Mr. Heydenburk, would you please speak up so we can hear over here?

The WITNESS. Yes.

By Mr. SCHAFER:

Q. Now, will you tell us, are you familiar with the service that you enjoy at present between San Francisco and Grants Pass?

A. I am.

Q. What service is that—What delivery do you get on freight originating in Grants Pass—I mean at San Francisco?

A. Do you mean the time of delivery?

164 Q. Yes.

A. Or do you want the name of transportation firms along with that?

Q. Not necessarily any names—Just what is the best motor carrier service that you have from San Francisco to Grants Pass?

A. The best that we have now is two-day—if we order today, being Monday, we would normally receive the freight on Wednesday, sometime before noon. That is, merchandise shipped today. Merchandise shipped today would be received Wednesday forenoon.

Q. What service have you been using principally in the past?

A. Principally the Oregon-California Fast Freight.

Q. That is as far as Medford?

A. As far as Medford; and Consolidated Freight from there on in. It is transferred at Medford. Valley Express hauls some.

Q. Who is Valley Express?

A. I don't know. The freight bills there, I believe, the name is Valley Express. Some of them we haven't dealt with only just very recently, and I am not familiar with who does operate the line.

Mr. BEROL. Mr. Ellis might be able to help the witness there, Mr. Schafer.

The WITNESS. I beg your pardon?

Mr. BEROL. Mr. Ellis might be able to help there.

Mr. SCHAFER. I have an idea he could.

165 By Mr. SCHAFER:

Q. Does this second day's service satisfy your transportation needs?

A. It does not; no. It quite often works a hardship on us and on our customers on special orders of which we have quite a few cases like repairs and parts for the mines and mills where things are needed right now. We can't get the merchandise in Portland. We have to order from San Francisco.

Q. Are the wholesale stocks there larger than Portland?

A. Yes, sir.

Q. Is mining machinery an item that can be purchased in Portland?

A. Very little of it.

Q. And you are acquainted with the proposal of Consolidated Freightways to give first morning service from San Francisco to Grants Pass?

A. Yes; I am.

Q. And have you used the services of Consolidated between other points and San Francisco and Grants Pass?

A. We use it quite a lot from Portland down and then from San Francisco to tie in with the Oregon-California Fast Freight.

Q. Have you found their services dependable and satisfactory from Portland to Grants Pass?

A. We have.

Q. From your personal experience in shipping and re-
166 ceiving freight, do you have any preference between the through service by one carrier and a through service by means of several connections?

A. Well, I am sure that a through service gives us much better service in that our claims for shortage and damage are lessened considerably.

Q. Is the matter of rehandling en route a factor which you would consider in considering a carrier?

A. Yes, it is. We would favor a firm giving us that sort of service.

Q. Now, at Grants Pass, are you ever solicited by such carriers as Los Angeles-Seattle Motor Express?

A. We never have been.

Q. And Pete Lubetich?

A. I never heard of them.

Q. Does Cascade Fast Freight call on you?

A. No; they don't. I have seen their truck but I have never seen anyone connected with it.

Q. You have seen their truck go through town?

A. Yes.

Q. But they have never solicited your business?

A. No.

Q. How about O. J. Mitchell or Mitchell or Mitchell Brothers?

A. They have some kind of a hook-up with the Fisher Brothers, I believe, in Grants Pass. We don't know and never have
167 been solicited by them. They have brought in one shipment in the time I have been there, to my knowledge.

Q. Who is Fisher Brothers?

A. I am wrong in that—It is Markham Brothers. Fisher is the man that looks after it for them locally. They are Studebaker agents and incidentally do long-distance hauling themselves. They have some kind of a truck line. I don't know what it is—But they have never solicited any freight from us.

Q. I believe you said you were the largest hardware in Grants Pass. Would you expect to be solicited for your business, if anyone was?

A. We are by practically all the transportation companies.

Q. Does Colletti Fast Freight call on you?

A. No; I don't know them at all.

Q. Would you expect the inauguration of an over-night service from San Francisco to Grants Pass to have any effect upon the volume of your business from San Francisco?

A. It might make it possible for us to handle some orders that we don't get at the present time. I wouldn't say as to what percentage it might affect us, one way or the other.

Mr. SCHAFER. That is all on direct.

Chairman TERRIL. You may cross-examine, gentlemen.

Cross-examination by Mr. ELLIS:

168 Q. As I understand your testimony, you are interested in freight service both north- and south-bound?

A. That is right. That is, terminating in Grants Pass.

Q. Terminating in Grants Pass?

A. Yes.

Q. You are not particularly interested in shipments from Grants Pass north and south?

A. In our wholesale business we do a little shipping as far as Roseburg. We have found it impractical to ship over into the Coos Bay country. Freight rates were higher to Grants Pass than from Portland. Really, all we are interested in is coming into Grants Pass.

Q. Do you control the routing on substantially all the freight?

A. We do.

Q. That is destined to your place of business?

A. Yes; we do.

Q. And you say you are solicited by practically all the transportation agencies. Will you state what transportation agencies have solicited your business?

A. Consolidated Freightways, Pierce Auto Freight, the Southern Pacific, the various carloading companies. I can't recall them all—There is the National and two or three others in Portland. I have cards in my desk. That constitutes all that I know of as regular carriers soliciting the business from that territory.

Q. Has Valley Express ever solicited you?

169 A. Possibly they have. I don't recall them soliciting as such. If they are hooked up with Pierce, then we have been solicited that way, but I didn't connect the two names.

Q. Do you use the service of Pierce Auto Freight to a substantial extent?

A. We do from the north.

Q. And do you receive shipments also over Valley Express or have you in the past, from San Francisco?

A. A few.

Q. Were you aware of the fact, until a few minutes ago, that Pierce Auto Freight Lines was operating daily service between San Francisco and Medford?

A. I was not aware that they were. I knew that they had talked to me sometime ago, but I wasn't sure that they had put it on.

Q. Well, were you aware of the fact that they did inaugurate daily service a number of months ago but temporarily reduced that service to a weekly service?

A. I knew that: yes.

Q. Did you patronize Pierce Auto Freight extensively between Medford and San Francisco when they were giving daily service?

A. I really couldn't tell to just what extent we used it. I know that we used it some.

Q. Will this daily service which the Pierce Line is now

170 giving between southern Oregon points and San Francisco be of material assistance in meeting your transportation needs?

A. Well, I don't think the service they offer at present is any better or shorter than the service we are getting from the Oregon-Nevada-California.

Q. By that you mean that you think there is a delay in the transfer at Medford?

A. Their delivery to our door is at the same time. It is a second morning, the same time practically as the Oregon-Nevada-California freight transferring at Medford makes delivery to us.

Q. And at about what time is that delivery made?

A. Well, I don't sign for freight but, as near as I can recall, probably ten o'clock or eleven o'clock in the morning.

Q. And at what time would you anticipate delivery in the event the application of Consolidated Freightways, in this case, was granted?

A. Approximately that same time, but a day sooner—the day after shipment is made from San Francisco. The freight gets into Medford now the next afternoon, sometime, and it lays over there—whether it is either Pierce or the Oregon-Nevada-California and Consolidated—It lays over there until the next morning or at least as far as I know, in Grants Pass; it may come over at night or during the night but we get delivery the second
171 morning and Consolidated has promised delivery sometime before noon on the first day—after shipment.

Q. Have you ever made complaint to Pierce Auto Freight Lines or anyone else concerning the service that had been available to you from San Francisco in the past?

A. I don't believe we had ever registered any complaint. I don't know what good it would do.

Q. I assume, being the largest hardware store in your community, you carry very substantial stocks of normal merchandise which you handle?

A. That is right.

Q. And it being not of a perishable nature, the matter of a few hours time is not particularly important except in emergency shipments?

A. Well, it happens every day that there is something that is wanted that we don't have. We can't carry a stock that would take care of everything—particularly when you get into the mining end of it. There is always something special. Practically every day there are orders that go to San Francisco where they want the stuff right away.

Q. Those are usually repair parts and things of that kind where the order cannot be anticipated?

A. Well, there are other things—a piece of 12-inch or 14-inch belt, where the investment to carry a quantity, you would have to have, would be too great. The sale wouldn't justify the stock.

172 Q. But on normal items which you carry, you plan to carry a stock on hand to meet the normal demands of your trade?

A. On normal demand; yes.

Q. And on that stock a matter of twelve hours or twenty-four hours is not of particular importance in your business?

A. No; it wouldn't hurt us on ordinary stock requirements.

Q. If Pierce Auto Freight Lines should so change its service as to give you first-morning delivery in Grants Pass, would that

serve your purpose as well as the proposal of Consolidated Freightways?

Mr. BEROL. That is objected to as being incompetent, irrelevant, and immaterial. I might state that I might briefly state the reasons for my objection. It really may be a matter of impertinence for me to be objecting to the question of a protestant of the Consolidated Freightways. I particularly want to object to it because we probably will have the same type of questions asked in the subsequent application in which I am interested as an applicant. Now, the reason of my objection is this: That the Commission and the courts have constantly held that when a utility is threatened with competition, it is too late for that utility to attempt to amend its ways or its errors or improve its service in order to forestall second competition. Now, that is what that question presupposed,

173 is that if the Consolidated Freightways should revise its service in order to provide the service that this witness is complaining of, then would that be sufficient.

That, as I say, flies in the face of the decisions by the Commission and the courts where they say it is too late for the utility to change its service, after it is threatened.

Exam. KEPHART. Have you ever complained to Mr. Pierce?

The WITNESS. No.

Exam. KEPHART. Why?

The WITNESS. Their operating service is such that they can't change it. Everyone else in southern Oregon is getting that kind of service. It has been better than we got under the old l. c. l. service of the Southern Pacific, and we have been satisfied in that it was better than that. We waited for them to make the change, if there was going to be any.

Exam. KEPHART. You say you don't think they can improve. That is, in the past, you have thought they couldn't improve it?

The WITNESS. It wouldn't be worth their while to improve it on the objection of one individual shipper. If all the shippers got together and protested, it may be we could have done something about it.

Exam. KEPHART. Maybe if you had started it you could have got together.

The WITNESS. That is possible.

Mr. ELLIS. My question was based on the previous question.

174 Mr. BEROL. That makes no difference as far as the basis of my objection is concerned.

Mr. ELLIS. That goes to the question of whether public convenience and necessity justifies another carrier merely because that carrier has offered to give—has promised or is holding out a

promise to his shipper witnesses that he will give a quicker service than exists today.

Chairman TERRIL. I believe the witness may answer. If he will give the Board the benefit of his experience, if he knows.

Mr. BEROL. May the record show an exception, please?

Chairman TERRIL. You may have an exception.

The WITNESS. If the service is bettered, of course, we would be satisfied. We are anxious to get our merchandise in there as quickly as we can. If we can save a day, if Pierce had that, we no doubt would use it some. If Consolidated has it, certainly we would use it.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Heydenburk, how far is it from Medford to Grants Pass?

A. Thirty-three miles.

Q. Have you ever ascertained the reasons why you don't now receive your freight before the second morning, after it leaves San Francisco by the joint service of Oregon-Nevada-
175 California and Consolidated?

A. I never have checked into it. I know that it gets into Medford the afternoon before, sometime. How long it lays there, I don't know.

Q. Did you ever ask Consolidated to get it to you before the next morning, after it arrived at Medford?

A. I don't think we have.

Q. If they did give you the same service by the two connecting lines that you are now promised by Consolidated, would that suit your need?

A. It would give us the time element. We would still have the transfer in Medford, which quite often means a shortage—something that goes on north and doesn't get unloaded at Medford; and of course, there is always a little more chance for breakage and damage when the freight is transferred.

Q. Do you know whether any of your freight has ever come through to you in Grants Pass from San Francisco without being transferred physically at Medford?

A. I don't know that. It is possible that this Mitchel Brothers have done that on one or two shipments.

Q. I am speaking now of shipments that originated on the Oregon-Nevada-California Lines and is delivered to you by Consolidated.

A. I don't know of any ever coming directly through, however.

Q. Would you know if it did or did not?

176 A. I am not out at the receiving end of it. I probably wouldn't know it.

Q. Did you ever hear of a service between those two lines?

A. I beg your pardon.

Q. Did you ever hear of the service between those two lines where they interchanged equipment and didn't physically handle the freight at Medford?

A. No; I never have heard of that service.

Q. And if they have been performing that in the past, you haven't known about it?

A. That is right.

Mr. HEDGES. I think that is all.

Mr. JONES. I have no questions.

Mr. IVERS. I have no questions.

Cross-examination by Mr. FARRENS:

Q. Have you been patronizing the Oregon-Nevada-California service and the Consolidated during the joint service, during the past five years?

A. Yes.

Q. Have those services recently—say the last year— been better or worse, from your standpoint, with respect to the amount of loss and damage claimed, than your previous four years?

A. Well, that would be hard for me to answer without looking at our claim records. We have a record of all of our claims.

177 I couldn't answer that.

Q. Well, the difference between your present and recent loss and damage claims to those which you suffered three or four years ago is apparently not sufficient so that it would be a thing that you would remember or hear about in the ordinary course of your business?

A. It doesn't amount to an awful lot, to be real honest. It is more the inconvenience than the dollars and cents question.

Q. So far as you know, or can remember, your loss and damage situation in the patronage of those two companies hasn't varied substantially within the last five years?

A. So far as I know, it has not. I couldn't answer that.

Mr. FARRENS. That is all.

By Exam. KEPHART:

Q. How much were your losses and damage claims last year?

A. I couldn't give you those figures. I didn't bring them up.

Q. A couple of hundred dollars?

A. Not much over that. It isn't the dollars and cents loss. It is the time element—something that you need right now.

Cross-examination by Mr. BEROL:

Q. Mr. Heydenburk, wasn't there a time a number of years ago when you were receiving your shipments the next afternoon after leaving San Francisco?

A. It seems to me there was a time when we received them just about closing time in the afternoon of the second day.

178 Q. Now, let me ask you—are you aware of the fact or have you been informed that the Oregon-Nevada-California Fast Freight has an application pending to serve Grants Pass directly from San Francisco?

A. Yes; I was informed of that a couple of weeks ago.

Q. Insofar as you are concerned, you have testified that you are in favor of the application of Consolidated being granted?

A. That is right.

Q. Now, would your position be the same with respect to the application of the Oregon-Nevada-California?

A. I would have no objection to it.

Q. In other words, what you are interested in is one or both of these carriers being permitted to serve you directly from the San Francisco area?

A. We are interested in the time saving and the elimination of that extra handling.

Mr. BEROL. I think that is all.

By Exam. KEPHART:

Q. How would your business be affected as between the time of receiving it in the late afternoon or early the next morning?

A. Well, of course, the service Consolidated are contemplating giving us is early in the day rather than late in the afternoon. In other words, sometime in the forenoon. That would make it possible to make deliveries the day it is received.

Q. It would leave San Francisco in the evening and you

179 would expect to receive it the next noon?

A. Yes; at noon or before; if it was received later in the day, it might as well come in later, as far as that is concerned. It is too late to make deliveries as far as extreme emergency.

Chairman TERRIL. Mr. Adams.

Mr. ADAMS. I have no questions.

Chairman TERRIL. Mr. Hickson.

Mr. HICKSON. I have one question.

Cross-examination by Mr. HICKSON:

Q. Do you receive shipments from any other California point other than San Francisco?

A. We receive shipments from Los Angeles—principally from San Francisco and the Bay area, Berkeley and Oakland as well.

Q. Do you receive any shipments from Crescent City?

A. Not since the boat service went off. We used to receive shipments through Crescent City from San Francisco.

Q. You don't route it that way now?

A. You can't do it any more.

Q. Do you ship from any California points north of San Francisco?

A. None other than right across the Bay—We do from Petaluma; yes.

Q. Petaluma?

A. Petaluma.

180 Q. The service you are speaking about now would be over U. S. Highway 99?

A. That is right. Our freight from Oakland and Berkeley, as well as Petaluma, has to go back over to San Francisco at the present time, and come up 99.

Q. You are not contemplating shipments over U. S. Highway 101?

A. Well, the shipments from Petaluma have a saving in time by connecting with possibly the Crescent City Truck Line. If there was a time saving there, we certainly would use it.

Q. You would use 101?

A. Yes; we would specify that way.

Q. How often do y u ship?

A. We ship oil burning floor furnaces from Petaluma.

Q. What is the weight of your shipments?

A. Three hundred or four hundred pounds?

Q. Three hundred or four hundred pounds. How frequently do you ship?

A. Fifteen or twenty in a year.

Q. Do you use any other transportation facilities, other than motor truck?

A. In our—for bringing merchandise in?

Q. Yes.

A. All of our heavy shipments—our carload shipments are all by rail.

181 Q. Would the furnaces come by rail?

A. They can't, from the Coast. There is no rail service into that country, that I know of.

Mr. HICKSON. That is all.

Mr. BEROL. May I ask one more question?

Chairman TERRIL. Yes.

Further cross examination by Mr. BEROL:

Q. Respecting the Crescent Manufacturing Company at Petaluma, those shipments are sent to you prepaid, are they not?

A. No; they are freight collect.

Q. Well, are they sent on a freight plus lading collect?

A. F. o. b. Petaluma; we pay the freight.

Q. You pay the freight?

A. We pay the freight.

Q. Do you do that in all instances?

A. On shipments from them, you mean?

Q. Yes.

A. Yes; that is correct.

Mr. BEROL. I think that is all.

Redirect examination by Mr. SCHAFER:

Q. Now, with respect to ordinary stock requirements, does the time in transit of the freight service, the transportation service available to you, have any bearing upon the size of the stock ordered?

182 A. Well, it would, if there is any great time element involved. One a day wouldn't bother us. There are times when we run out of regular staple merchandise that sells every day. Of course, we want to get that replaced as quickly as we can.

Q. Could you safely carry a smaller number of an item if you had an over-night service?

A. Well, our stock probably wouldn't vary very much with that saving.

Mr. SCHAFER. That is all. I have no further questions.

Mr. FARRENS. I would like to ask the witness on one point.

Chairman TERRIL. All right.

Cross-examination by Mr. FARRENS:

Q. Before you went into the business of operating this hardware store, what was your occupation?

A. I was with Crane Company, here in Portland, about seventeen years.

Q. Where do you now get the bulk of the inventory you carry in the store?

A. The bulk of our inventory is probably bought in the carload lots.

Q. From where?

A. Some of it through Crane.

Q. I mean the locality. I am not curious who you do your business with—the locality.

183 A. Some comes from Pittsburgh, five or six carloads a year; a lot of the tonnage comes out of Portland. I would say it is pretty near fifty-fifty, what is north, and what is south.

Q. Now, I had specifically in mind l. c. l. business.

A. On l. c. l. business, it is about fifty-fifty between Portland and San Francisco. Baker Hamilton in San Francisco are our largest single source of supply on hardware items. Next to that, the Northern Hardware Company, here in Portland, in which we are members and stockholders.

Q. About half of your l. c. l. comes from San Francisco?
A. That is right.
Q. And the other half through Portland?
A. That is correct.

Re-cross-examination by Mr. ELLIS:

Q. You expressed yourself as being in favor of the application of this applicant and of the Oregon-Nevada-California application, if they give faster service. Now, how many more applicants would you favor under similar circumstances?

A. I feel that that is a question that would have to be determined by the operators themselves—whether or not there is business enough for them all to exist. Personally, I don't care how many lines there are operating if we get this better service. I think there is a limit to how many can operate profitably, but that isn't for me to determine.

Mr. ELLIS. That is all.

184 (Witness excused.)

Chairman TERRIL. Call your next witness.

Mr. SCHAFER. I will call Mr. Hoffman.

185 D. W. HOFFMAN was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you state your full name for the record, please?
A. D. W. Hoffman [spelling].
Q. And you are connected with Swift & Co. in Portland.
A. Yes.
Q. What is your title?
A. I am in charge of the Transportation Department.
Q. How long have you been with that firm, in that work?
A. Well, in that particular phase of it, about ten years.
Q. And you control the routings on the shipments of Swift & Co.?
A. To a large extent.
Q. What commodities are now shipped by Swift & Co. between northwest points and California?
A. We operate a packing plant at North Portland, at which we slaughter and prepare livestock. At that point we ship approximately 65,000 pounds per month of fresh meat and packing house products to our plant—it is primarily to our plant at South San Francisco. The volume of movements is determined by their particular needs and market conditions.

We operate a dairy and poultry plant at Portland, at which we process cheese, feed, and dressed poultry, and manu-

186 facture butter.

From that plant our volume is approximately 150,000 pounds per month. We operate dairy and poultry plants at Eugene and Albany, at which points we handle eggs, and feed and dressed poultry. From those plants we ship approximately 7,000 pounds per month from Eugene, 12,000 pounds per month from Albany to the Bay area. We operate six cheese factories in the Coos Bay district, at Myrtle Point, Norway, Reedsport, Cushman, Sixes, and Coquille. The latter plant is our largest and at that point we also operate a creamery for the manufacture of butter.

From these plants we averaged last year 59,000 pounds of butter to the Bay District. That varied seasonally from a minimum of 5,000 pounds to a maximum of 100,000 pounds per month. We shipped an average of 120,000 pounds of cheese, which had a seasonal variation of from 25,000 pounds to 250,000 pounds per month.

Q. Now, with respect to your business from Portland, Albany, and Eugene, to the San Francisco Bay area, are you familiar with the services that are presently available to you? I mean rail and truck services—time in transit?

A. Well, we have used truck lines, primarily for a number of years, because the service was faster than the rail movement.

Q. Is that truckload or in less than truckload quantities?

A. Well most of our business—most of our movement is
187 in fairly large quantities, that is, insofar as truck movements would be concerned.

Q. Did you say what time in transit you presently have?

A. The truck lines make it second morning and the rail lines the third morning.

Q. Now, what service have you been using?

A. We have used, in comparative recent times, the California Northwest Motor Freight. We have used Cascade Fast Freight to a limited extent to the Bay District. Their service is not preferable nor desirable, because it is ordinarily not a through movement. They transfer at Stockton as a rule.

We use the Pacific Truck Express, and their service from our viewpoint has been the best we have had for a number of years; but the defect from our viewpoint is that you cannot forsee any continuity of service there on the basis of our interpretation of the Commission's approval. We have used the Consolidated and the Oregon-Nevada-California Lines. Our objection to that is it is not a through movement under a unified operation.

Q. Are many of your products perishables?

A. Practically everything we ship is perishable. It varies somewhat. For example, cheese is not as perishable as fresh meat or poultry.

Q. Are you familiar with the various means and devices employed by motor carriers to refrigerate their products?

188 A. Refrigeration has been progressing. In our opinion the only satisfactory refrigeration at present is mechanical refrigeration because other means are subject to failure. For example, due to road delays of the motorized equipment, the use of water ice or dry ice is subject to interruption if the truck is delayed, while a mechanical refrigerator, in our experience, has been much more consistent in its efficient operation.

Q. Have you used the services of Consolidated between other points?

A. Yes. We have used Consolidated to quite an extent in the territory.

Q. Do you find them to be dependable and satisfactory?

A. We find them a reliable carrier.

Q. Do you ship any frozen fruits or any such products?

A. Well, that is seasonal and limited. This year we bought fresh frozen strawberries in this area for shipment to the Bay District. That movement would be limited.

Q. Does it make any difference to you whether your products are mixed in with fresh fish?

A. Yes; that would be objectionable—very much so.

Q. What products would you object to having mixed with fresh fish?

A. Well, fish would taint almost anything we ship.

Q. Do you have available to you now any motor common

189 carrier service through to San Francisco with thermostatically controlled mechanical refrigeration?

A. Consolidated have some trailers that they use on a through movement, transferring at Medford to Oregon-Nevada-California; but there is a delay in operations there and in our opinion the service is not as good as the service would be in a through movement by one carrier.

By Exam. KEPHART:

Q. Why, Mr. Hoffman?

A. Because there is only one responsibility.

Q. Has that caused you any injury or delays?

A. It is rather difficult to put your finger on any injury. I think a divided responsibility any place is undesirable, if you can find a complete responsibility in one carrier.

Q. Do you find any difference between the two types of through service with respect to investigating damage claims; I mean as between a through service by one carrier and a joint service maintained by several carriers?

A. Yes. We try to avoid that type of shipment as far as possible. Having two or more carriers involved in a haul, it seems to me that it just natural that it would be more difficult to establish your claim, and, in our opinion, it is not practical to handle the product as good.

Q. Now, isn't the first carrier always held responsible and it is not your worry about how he gets his money from the connecting lines?

190 A. Yes. There is a responsibility—there is a bigger responsibility all right, but in our opinion the operations aren't as satisfactory.

By Mr. SCHAFER:

Q. How do you route your shipments from the Coos Bay territory to San Francisco?

A. We had used the Transcontinental Contract Carriers, but recently found that their permit did not cover the movement to our South San Francisco plant, to which a large part of the volume is destined. Since that time we have used Consolidated via Roseburg and Medford.

Q. Were you satisfied with their service—you say they did haul some freight for you to South San Francisco?

A. Yes; they hauled our products from the Coos Bay area.

Q. They represented to you that they did have the rights to do that?

A. Yes; we understood that they had the authority to operate.

Q. Was their service satisfactory?

A. Reasonably so.

Q. Do you know often they operate it?

A. No; I do not; but we have no particular complaint with regard to lack of service.

Q. They are contract carriers. You knew that, did you—that they were contract carriers, south-bound?

A. Well, their name implies that they operate as a contract carrier.

191 Q. Now, you understand that Consolidated Freightways proposes departures around noon from the Coos Bay District with early delivery the next day in San Francisco?

A. So I understand.

Q. What do you have to say with reference to the need of such a service as that out of Coos Bay?

A. Well, what we are particularly interested in, in our service from Coos Bay, is a through, responsible carrier.

Mr. HICKSON. If the Examiner please, I would like to have the Coos Bay area defined. We are talking about a pretty big

territory and I don't know whether it is involved in this bay area or not, or whether we are interested or not.

Mr. SCHAFER. All right.

By Mr. SCHAFER:

Q. What do you understand, Mr. Hoffman, regarding the Coos Bay?

A. The Coos Bay District includes the six points at which we operate plants with our headquarters at Coquille.

Exam. KEPHART. Will you name them, please?

The WITNESS. Myrtle Point, Norway, Reedsport, Cushman, Sixes, and Coquille.

Mr. SCHAFER. Will you pick up the witness' answer to my question before Mr. Hickson objected, Mr. Reporter?

(The answer referred to was read.)

By Mr. SCHAFER:

Q. Do you mean a common carrier?

A. As far as we are concerned, whether he operates as a con-
192 tract carrier or a common carrier is immaterial.

Q. You would make a contract with the contract carrier; do you do that?

A. Yes; we have done it.

Q. The time in transit is no problem, then, for you?

A. Well, the product we ship from Coos Bay is not as perishable as the commodities we ship from Portland and the valley points and the matter of a few hours—we are assuming that the departure from shipping point and the arrival at destination would be reasonable hours.

Q. In this case it would be overnight with delivery at San Francisco in the morning. Now, what service are you presently getting from Coos Bay into San Francisco?

A. You mean via Medford?

Q. Via Medford and Roseburg.

A. Well, I think it takes approximately forty-eight hours. I am not posted.

Q. Now, some of these points which you have mentioned are south of Coquille on U. S. Highway 101, are they not?

A. Sixes is south of Coquille.

Q. Langlois?

A. We don't have a factory at Langlois.

Q. Sixes is the only one south of Coquille?

A. That is correct. Myrtle Point and Norway are just west of Coquille. Reedsport and Cushman are north of Coquille.

193 Exam. KEPHART. You mean south?

The WITNESS. Excuse me. Myrtle Point and Norway are east of Coquille.

By Mr. SCHAFER:

Q. Now, taking a point like Langlois, south of Coquille, will you route that to San Francisco via Coquille, Roseburg, and Medford; do you pay a rate above the Coquille rate?

A. (No answer.)

Q. What I am getting at—by placing Langlois intermediate to San Francisco, would you enjoy a saving of freight rates?

A. If——

Mr. BEROL (Interposing). Will you read that question again, please? I couldn't hear what was said.

(The last question was read.)

Chairman TERRIL. I understand that they didn't serve from Langlois.

By Mr. SCHAFER:

Q. Sixes is the point. If service became intermediate between Coquille and San Francisco on 101, would you have a savings on paying the rate to San Francisco?

A. Yes; if we had a through movement south on 101, we probably would pick up the product at Sixes.

Q. You don't know what freight rate you pay from Sixes into Coquille?

A. Well, we operate several trucks of our own there and to a large extent that product is concentrated with our own
194 equipment.

Mr. SCHAFER. I see. Do you have any further statement that you care to make?

The WITNESS. No.

Chairman TERRIL. Cross-examine, gentlemen.

Mr. SCHAFER. Oh, I have one more point.

By Mr. SCHAFER:

Q. Do you have any shipping from Spokane to San Francisco?

A. We have occasional shipments. I think we have had about four truck loads in the last month. We have broken them at Portland due to the matter of service and rates.

Q. Would a through second-morning service from Spokane to San Francisco fill any need in your business?

A. Yes.

Mr. BEROL. May I ask a question of the witness at this point, counsel?

Mr. SCHAFER. Yes.

Mr. BEROL. Is the shipment into the Spokane territory under your jurisdiction?

A. Yes; we control the routing on that.

Mr. BEROL. I mean you personally, out of the Portland office?

The WITNESS. Yes; we have directed the routing.

Mr. BEROL. Thank you.

Mr. SCHAFER. Would you read my last question, please?

(The last question and answer were read.)

195 By Mr. SCHAFER:

Q. What type of commodity is it that you ship from Spokane?

A. Fresh meat and packing-house products.

Q. Do you have at present any through refrigerated motor carrier service operating daily between Spokane and San Francisco?

A. Not that we know of.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Mr. Hoffman, in connection with your several cheese factories down in the Coos Bay area, do I understand that you operate some trucks of your own for the purpose of making local hauls or consolidating shipments?

A. Yes. We use trucks for picking up the products, the raw material from the producers, and to a limited extent consolidate our products between the various plants.

Q. On some occasions you would haul cheese from Sixes and from Norway and Cushman into Coquille, and consolidate it with other lots originating there in order to make one large shipment?

A. It might move that way, depending upon the needs of the business.

Q. There are great advantages, are there not, which you can avail yourself of by making those consolidations?

A. Very often.

Q. And you would continue to follow that policy, would you not?

196 A. That would depend upon the rate structure and the service. We might change our method of handling it.

Q. Assuming the rate structure would continue?

A. If there was through service south-bound from Coquille on Highway 101 and Sixes took the Coquille rate as an intermediate point, we would try to move the cheese directly from Sixes to San Francisco.

Q. You would expect, however, to have your Sixes shipments considered independent of your Coquille shipments and not embraced on a similar bill of lading—on the same bills of lading, under what minimum?

A. I don't know of any way at present that we could consolidate it under one bill of lading.

Q. But you are doing it at the present time?

A. We have to handle the movement on its merits.

Q. Well, how is this cheese moving at the present time—via Roseburg and Medford?

A. At the present time it is moving via Roseburg and Medford; that is correct.

Q. You would expect no substantial saving in time, would you, from Coquille, for example, to San Francisco via 101 as compared with the present Roseburg and Medford route?

A. Yes; they should save twelve to twenty hours.

Q. There is very little difference in the mileage between the two routes?

197 A. Well, there is no through movement by the present route.

Q. Is it your anticipation that your saving in time would result from the operation of a direct through movement which did not give local service at intermediate points?

A. We didn't give the intermediate points service any consideration but it would be a direct route from our point of shipment to the destination.

Q. At the present time, as I understand your testimony, you do not use the 101 route via existing carriers, but take the Roseburg-Medford route of Consolidated in preference; is that a fact?

A. That is correct.

Q. You know there are freight lines operating throughout the entire route from Coos Bay to San Francisco via Highway 101, do you not?

A. We know of no through carrier via 101.

Q. You know of carriers who operate through connecting service, do you not?

A. With rehandling; yes.

Q. Yes. Have you ever had that service?

A. We don't like that kind of service, if we can avoid it.

Q. Have you ever used it in connection with your cheese factories in the Coos Bay area?

A. Not that I recall.

Q. You have expressed interest in the mechanical refrig-

198 erated equipment such as Consolidated uses. Can you tell us how long that equipment has been available to you?

A. Well refrigerated equipment has been developing in this territory for—oh, approximately two or three years. It is comparatively recent.

Q. You are moving a great deal of your traffic now via Consolidated Freight Lines in mechanically refrigerated trailers, are you not?

A. We are moving a fair volume; yes.

Q. How long have you been using these mechanically refrigerated trailers?

A. I think Consolidated put their first one on about a year ago. I am not prepared to answer that, though. I have no specific knowledge.

Q. As I understand you, however, the type of service you are getting through the use of those trailers, or of mechanically refrigerated equipment, is one of the principal reasons for patronizing the Consolidated service; is that correct?

A. Do you mean generally?

Q. Yes; as to the type of equipment, the mechanical refrigeration that is attracting your business, is that a primary element?

A. We try to give our business to the lines giving it the best possible protection.

Q. Will you describe for the record just how your busi-
199 ness is handled from your North Portland plant, when you utilize this refrigerated equipment?

A. Well, the carrier calls at our plant, loads the product into a truck, and proceeds to the destination.

Q. Is it not a fact that it is the present practice of Consolidated Freightways to park one of these refrigerated trailers at your plant and leave it there for half a day at a time, if necessary, while you load it?

A. We don't load the trucks.

Q. Well, do they park a refrigerated unit at your plant for three or four hours at a time, and leave it there for your convenience while it is being loaded?

A. I think——

Mr. SCHAFER (interposing). I am going to object to that unless you bring out some purpose for it. What has it to do with the matter before the Commission, Mr. Ellis?

Mr. ELLIS. Let's wait and see what his answer is.

Mr. SCHAFER. May I hear the last question again?

(The last question was read.)

The WITNESS. The proper care of our product would not encourage a loading time of three hours to four hours on a truck and trailer. I think their average loading time is considerably less than that. If the truck were loaded over that period of time, it would mean that the doors of the trailer, if it were a re-
200 frigerated trailer, would be open, and they would lose refrigeration.

Q. Have you had any personal contact with the loading of those trucks so that you know from your own personal knowledge just what the practice is?

A. I don't personally load the truck. I inspect them frequently.

Q. It is the practice of your company to require refrigeration on all of its shipments at this season of the year, both on pick-up, line-haul, and delivery units, is it not?

A. We try to obtain the best possible refrigeration.

Mr. ELLIS. That is all.

Chairman TERRIL. Mr. Hedges?

Mr. HEDGES. I have no questions.

Chairman TERRIL. Mr. Farrens?

Cross-examination by Mr. FARRENS:

Q. Mr. Hoffman, when you were asked to appear here as a witness, did the Consolidated officials tell you that if their certificate were granted, they would give your company delivery from the Coos Bay District, leaving about noon, and arriving in San Francisco the next morning?

A. I will have to look at the schedule they gave us. Their schedule shows departure from Marshfield at twelve noon, arrival at San Francisco at five a. m.

Q. I didn't ask you what the schedules were. I asked
201 you what they told you when they asked you to come as a witness. Didn't they hold that out as one of the inducements to you?

A. They gave us this schedule of their proposed operating schedule.

Q. And they pointed that operation out to you, didn't they?

A. They made no particular point of that feature.

Q. What time does that schedule show their truck would arrive at your plant in South San Francisco?

A. It doesn't show South San Francisco.

Q. Well, were any representations made to you as to the time at which their trucks would arrive at your plant at South San Francisco?

A. No, sir.

Q. You recognize there is a difference between the arrival at San Francisco and the arrival at South San Francisco?

A. Yes, sir; I do.

Q. And within reason, might there not be a half day's delay between the arrival of the unit at San Francisco and the unloading of it and transfer of your particular shipments to your plant at South San Francisco?

A. The volume involved in any particular shipment from Coquille, for example, would justify the carrier handling it as speedily as possible to its ultimate destination. There would be no inducement for them to delay or to rehandle the shipment at San Francisco.

202 Q. Mr. Hoffman, there would be an inducement for them to unload that portion of the lading at San Francisco rather than to carry the entire lading of a unit down to your plant in South San Francisco and then bring the balance, which they

are not transporting for you, back to San Francisco—isn't that true?

A. That could very well be true.

Q. So that you could anticipate that normally on that southbound movement, the truck would be stopped at San Francisco and items not intended to be carried to destinations south of San Francisco would then be unloaded and——

Mr. SCHAFER (interposing). I will object to this.

Mr. FARRENS. You had better wait until I finish my question.

Mr. SCHAFER. I don't think you will ever finish your question. I would like to interpose my objection.

Chairman TERRIL. Will you read the question as far as Mr. Farrens had gone?

(The last question was read.)

Mr. FARRENS (continuing). And thereafter the truck would move on down to your plant at South San Francisco for the delivery of your freight—isn't that to be expected?

Mr. SCHAFER. That is objected to as calling for a conclusion from this witness on which he isn't qualified in the first place, and an improper question.

203 If they want to ask any of the officials of our company as to their deliveries, it might be proper, but not of this witness.

Exam. KEPHART. Do you know about the deliveries made in that manner—South San Francisco, Mr. Witness?

Mr. SCHAFER. Our application covers South San Francisco.

Exam. KEPHART. You mean it is not within your pick-up and delivery area today?

Mr. SCHAFER. I think it is.

Chairman TERRIL. Can you answer this question, Mr. Witness?

The WITNESS. We have very often had shipments on the same truck for our units at San Francisco and South San Francisco. Naturally, we know that when those conditions exist that there would be a stop at San Francisco.

By Mr. FARRENS:

Q. And the same thing would be true if shipments other than shipments from your company were on the unit for San Francisco; they would unload that first and then take your stuff on to South San Francisco—isn't that true?

A. That might happen; yes.

Q. And you don't really know, then, the arrival time that you can expect of this applicant's operations in the event he operates on Highway 101 south of the Coos Bay District?

Mr. SCHAFER. Was my objection ruled on?

Chairman TERRIL. No; I don't believe it was.

Mr. SCHAFER. May I have a ruling, please? At the same
204 time, I would like the record to show that the Division 5's order in the grandfather case, MC–42487, authorizes the service of South San Francisco.

Mr. FARRENS. Nobody is questioning the fact that you have the rights to South San Francisco; but this witness mentioned on direct examination, convenience in the time of delivery to the South San Francisco plant, and I want to find out what he understands that to consist of.

Chairman TERRIL. The witness may answer, if he can. The objection will be overruled.

The WITNESS. According to their schedule, we would expect that they would deliver at South San Francisco early in the morning.

By Mr. FARRENS:

Q. What do you mean by "early in the morning"? By ten o'clock?

A. Yes; between eight o'clock and ten o'clock, I think that would be considered early in the morning.

Q. Do you have a proposed time schedule in your possession, Mr. Hoffman?

A. I have a schedule here that was given us.

Q. Well, that is Exhibit 2 in this case?

A. No.

Q. I wonder if someone would hand the witness a copy of Exhibit 2 for the moment?

Mr. SCHAFER. Do you want us to find the place for him?
205 Have you got the place there?

Mr. FARRENS. Yes; page 30.

Mr. SCHAFER. Page 30. Here is one, page 30.

(Exhibit handed to witness.)

By Mr. FARRENS:

Q. Now, on page 30, if you will look down at the left-hand column, Mr. Hoffman, you can see Coquille listed as a point of origin and following the line across the page, you will see San Francisco listed as the destination. I call your attention to the fact that the delivery shown there is one o'clock; the first afternoon.

Mr. SCHAFER. That has already been admitted as an error, Mr. Farrens, and we have corrected that point.

Mr. FARRENS. What is it now?

Mr. SCHAFER. First morning is what it should be, and it was so covered.

Mr. FARRENS. Well, I didn't hear it, unfortunately. All right, then, that is first morning.

By Mr. FARRENS:

Q. If you will follow down this column to Marshfield, you see that delivery in San Francisco is promised on the second morning. Following down the lefthand column to North Bend, and you will find that delivery is promised the first morning. Now, is that in accordance with the schedules which were suggested to you by the applicant?

Mr. SCHAFER. That likewise was pointed out as an error, Mr. Farrens, when you weren't here, apparently.

206 Mr. FARRENS. Now, what are the facts?

Mr. SCHAFER. The facts, I think it has been shown in the record twice now, are that it leaves Marshfield and leaves early morning deliveries in San Francisco the next day. The territory starts at Marshfield and North Bend. It goes through Coquille and down 101 to San Francisco, arriving at San Francisco the next morning.

Mr. FARRENS. Well, I am sorry, Mr. Schafer, to have caused that difficulty. I wasn't here when the correction was made, apparently.

Mr. SCHAFER. Apparently not.

Mr. FARRENS. That is all. Thank you.

Chairman TERRIL. Is there any further cross-examination? Mr. Berol.

Cross-examination by Mr. BEROL:

Q. Respecting the shipment from the Coos Bay area, are those handled by you out of the Portland office, or are those handled by your traveling department out of the San Francisco office?

A. Well, we have had no particular difficulty dividing the authority. Technically, the Coos Bay area is in our territory. San Francisco and South San Francisco are obviously under San Francisco jurisdiction.

Q. Now, with respect to shipments to Coos Bay, aren't those shipments routed and handled out of the San Francisco office?

207 A. Swift & Co. control them. It seems to me that whether there is an agreement between our office in Portland, and San Francisco, would have no bearing upon the issue.

Q. Now, Mr. Hoffman, I think my question was simple enough. I wanted to know whether the mechanics of handling that traffic from the Coos Bay area were handled out of your San Francisco or out of your Portland office.

A. Coquille is under the jurisdiction of our Portland office.

Q. How about the other points?

A. All the points in the Coos Bay area.

Q. Now, are the arrangements for the actual movement of that traffic made by you here or by somebody in your San Francisco office?

A. The orders are forwarded from San Francisco to Coquille.

Q. In other words, the orders are forwarded from San Francisco to Coquille?

A. That is correct.

Q. And you don't have anything to do with the handling of those orders, do you?

A. We determine the policy of shipment.

Q. What do you mean by "we"?

A. Swift & Co., Portland.

Q. Now, then, what does the San Francisco office have to do with the matter of holding the orders and forwarding the orders?

A. Because the goods are bought at San Francisco.

208 Q. Who selects the carrier that is handling the traffic from the Coos Bay area to San Francisco at the present time; do you do it, or does your San Francisco office do it?

A. We attempt to work in harmony with our various units. I think, as I recall the situation—the change to Consolidated service originated at Portland.

Q. And was consummated where?

A. It was agreed upon by our other units.

Q. Now, did I understand you to say that you expected or anticipated a saving of between twelve hours and twenty hours under this proposed service?

A. I think the time in transit between shipping from Coquille to San Francisco via Roseburg and Medford, compared to the shipment from Coquille to San Francisco via 101 under a through service should result in approximately that saving.

Q. What time are your commodities ready to be shipped out of that area, at the present time?

A. Cheese is a commodity which can be made ready for shipment at any convenient hour during the day.

Q. Did I understand you to say that Consolidated is handling the bulk of that movement out of the Coquille area to the San Francisco area at the present time?

A. That is correct.

Q. Do they have any particular hour of picking up your merchandise at the Coquille area at the present time?

209 A. The hour of picking up—I don't know—that would be a local arrangement with our Coquille manager.

Q. You don't know what time they pick it up at the present time?

A. No.

Q. Do you know how long it takes them to make the distance from the Coquille area to Medford?

A. No; I am not in a position to answer that question.

Q. Do you know how long—the time the transit is between Medford and San Francisco or South San Francisco?

A. Approximately eighteen hours running time, I believe.

Q. Where did you gather that information?

A. I have no information here on the running time between those points.

Q. Let me ask you, Mr. Hoffman, if you don't know what time your commodities are ready for leaving in Coquille and if you don't know what time they leave Coquille, and you don't know what time is the transit time between Coquille and Medford, and you don't know the time between Medford and San Francisco, upon what do you base your judgment of the expected saving of between twelve hours and eighteen hours on the other highway?

A. At the present time there is no through service from Coquille to San Francisco via Roseburg and Medford. Under the proposed service, there would be through service via 101
210 from Coquille to San Francisco.

Mr. SCHAFER. I didn't get that. Mr. Reporter, will you read the answer?

(The last answer was read.)

Mr. SCHAFER. I object to that. This witness has already said he has presently one-day service from San Francisco to Coquille and this second day—and this would be first day. The question is obviously designed to trap the witness.

Exam. KEPHART. Upon what is he relying—Exhibit 2?

Mr. SCHAFER. Upon his understanding of the proposal.

Exam. KEPHART. The proposal, as represented by Exhibit 2; is that what you are standing on, Mr. Hoffman?

The WITNESS. I have not seen it previously.

Chairman TERRIL. Do you understand the question Mr. Berol asked?

The WITNESS. Well, his question is—on what are we basing our opinion that there will be a decrease in the transit time of twelve hours to eighteen hours.

Chairman TERRIL. All right. Now, can you answer that question?

The WITNESS. Well, I don't——

Chairman TERRIL (Interposing). Do you know—or what basis do you have for your statement?

The WITNESS. I think the words I used were that the present movement via Roseburg and Medford is not a through serv-
211 ice and the movement from Coquille to San Francisco via 101 would be a through service.

Exam. KEPHART. That is, the difference in service over the two routes would represent a savings of from twelve hours to eighteen hours, you believe?

The WITNESS. That is correct.

Exam. KEPHART. And that would depend upon the characteristics of the service of the two routes?

The WITNESS. That is correct.

By Mr. BEROL:

Q. Then, so far as the Coquille-San Francisco Bay area was a through movement, as compared to the through movement from Coquille via U. S. Highway 101, would there then be a difference in time?

A. If there were no stops in transit, I believe the time would be comparable.

Q. That being the case, Mr. Hoffman, is it reasonable for me to form the assumption that the saving in time that you anticipate is the time that is presently lost either by delays or by change of lading?

A. I think the delay is caused by the lack of through service.

By Exam. KEPHART:

Q. Well, what feature causes the delay—what particular acts would cause the delay?

A. Well, the truck that hauls the product out of Coquille does not actually move it into San Francisco.

By Mr. BEROL:

Q. Are you sure of that?

212 A. I am quite sure. I understand that there is no through service. I didn't say the trailer. I said the—the automotive unit.

Examiner KEPHART. The tractor, then?

The WITNESS. The tractor unit.

By Mr. BEROL:

Q. Now, I take it, Mr. Hoffman, that your primary interest in acquiring a through service between the Coquille and San Francisco area?

A. That is correct.

Q. Now, are you aware of the fact that the Oregon-Nevada-California Fast Freight has an application pending under which it offers such a through service?

A. I had no previous knowledge of it.

Q. The Consolidated Freightways did not inform you of that?

A. I would hardly expect that.

Q. I just asked you as to whether or not they informed you—not as to what you would expect.

A. I said I had no previous knowledge of it.

Mr. BEROL. I think that is all.

By Exam. KEPHART:

Q. That delay would be in changing a trailer from one tractor to another?

A. Yes; our experience shows that there is not a continuous through movement.

By Chairman TERRIL:

Q. Are your products ever unloaded from one vehicle and placed on another—that is, picked up in Coquille and at either
213 Medford or Roseburg, transferred to another vehicle entirely?

A. Well, we know that they operate through trailers. It is our understanding that any commodity—for example, if we load a full trailer at either Portland or Coquille, in all probability it would move through, but any product loaded on the tractor unit would not move through.

Q. Are most of your movements out of that Coquille area full unit loads—that is, full trailer loads, or do you know?

A. I gave you our maximum movement of 250,000 per month. That figures 60,000 per week. If we make two or three shipments per week, it just about gives them a load.

Q. On each shipment?

A. Yes.

Exam. KEPHART. Trailer load shipments.

Cross-examination by Mr. ADAMS:

Q. Mr. Hoffman, you say you understood that there was no through service from Coos Bay area to San Francisco via 101. Now, what is the basis of your understanding?

A. Well, we are not blessed with any mental telepathy or anything of that kind. As far as we know, there is no through service—neither our office in Portland nor our San Francisco office nor our Coquille office have any such information.

By Exam. KEPHART:

Q. Have you been solicited by any such organization?

A. By no one having a through dependable service.

214 By Mr. ADAMS:

Q. Well, did anyone solicit you?

A. I don't recall anyone that we gave any consideration to.

Q. Did you make any investigation to see if there were other carriers with service that was available—prior to coming to this hearing?

A. We have made no recent investigation.

Q. You have never heard of Pacific Motor Lines?

Mr. SCHAFER. I am going to object to this again. Protestants come here by counsel who is not testifying and he recites off a list of carriers and asks the witness if he has ever heard of them. Now, that isn't the proper way for protestants to prove the adequacy of their service [illegible] are not trying to prove the adequacy of their ser[illegible] is no reason for the question. I am going to renew my objection.

Mr. ADAMS. Obviously, this witness is put on for the purpose of proving public convenience and necessity. He certainly ought to be able to testify as to what he knows about existing service.

Chairman TERRIL. The witness has testified, Mr. Adams, that he does not know of any other service.

By Mr. ADAMS:

Q. Have you ever heard of any other?

A. I don't recall having been solicited by them.

Q. And you never heard of J. E. Foster?

A. It didn't make a very serious impression. I don't recall it.

215 Exam. KEPHART. Under what name does he do business, Mr. Adams?

Mr. ADAMS. J. E. Foster.

Exam. KEPHART. Under his own name?

Mr. ADAMS. Yes.

Chairman TERRIL. Mr. Hickson.

Cross-examination by Mr. HICKSON:

Q. Mr. Hoffman, your shipments out of the Coos Bay area that you refer to, that is principally cheese, is it not?

A. Cheese and butter.

Q. Cheese and butter?

A. Yes.

Q. What proportion would you say is the cheese as compared to the butter?

A. The figures I previously gave as an average of 59,000 pounds of butter and 129,000 pounds of cheese.

Q. Would you you state whether or not the movement of cheese is seasonal?

A. In my previous testimony I said that there is seasonable variations from 5,000 pounds low to 100,000 pounds high of butter; and seasonal variations in cheese of 25,000 pounds to 250,000 pounds.

Q. Well, could you give us, in a general way, the seasons when the peak movement is moving; the number of months or the months?

A. The volume of cheese in January, 25,000; February, 25,000; March, 75,000; April, 150,000; May, 250,000; June 225,000; July, 170,000; August, 180,000; September, 100,000; October, 90,000; November, 95,000; December, 50,000.

Q. Does the butter run about the same months?

A. Yes. The high months are May to August.

Q. Now, you named six points in the Coos Bay area that you shipped from. Could you tell me, for the sake of the record here, just how you handle cheese from the Coos Bay area to San Francisco? Is it all shipped from one point or is it shipped from six points?

A. Our entire output of cheese from that area is not moved to San Francisco; we sell a fair volume in Oregon and Washington. Naturally we select or govern our movement in the most economical and convenient way for the conduct of our business.

Q. What proportion of it moves to San Francisco?

A. The bulk of the output of our Coquille plant, for example, moves to San Francisco.

Q. Isn't it a fact that you haul in the cheese and the butter from the six points you mentioned, to Coquille, and ship out of Coquille?

A. No; not necessarily, or regularly.

Q. What service did you expect to get from Consolidated Freightways, for example, from Reedsport or Cushman?

A. That cheese probably would not move to San Francisco.

Q. Well, any of it?

A. I wouldn't care to make any broad statement like that.

Q. Well, then, do you think that the cheese originating at Reedsport and at Cushman in all probability would not move to San Francisco?

A. I think the answer to your previous question covered that. We would move the cheese to our best interests. If the northernmost cheese could be utilized in Portland, that would be the logical thing.

Q. What I am trying to get at, Mr. Hoffman, is how much of your cheese is going to go to San Francisco?

A. Those figures I gave you are shipments to San Francisco.

Q. Alone?

A. They have nothing to do with a movement to any other place.

Q. All right. Now, you have never used the Consolidated service, of course, over U. S. Highway 101, the route that we are proposing at the present time. It is not in existence, so you haven't used it, have you?

A. As far as I know, it is not in existence.

Q. And when you told the Board that you expected to effectuate a saving of twelve to twenty hours by moving traffic over that route, you are basing that entirely, are you not, on the time schedule that was handed to you by the representatives of the Consolidated Freightways?

A. We are more interested in obtaining a through move-
218 ment under one operator. With the product that we have to ship down there, a delay of a few hours is not the particular thing. What we want to do is avoid rehandling.

Q. You understand, Mr. Hoffman, that the applicant here also has an application to extend his service south of Medford to San Francisco, do you not?

A. That is correct.

Q. Now, supposing they get that service, wouldn't it be entirely satisfactory to you to ship through Medford on that through service?

A. If the movement was a through movement without rehandling and approximately the same length of time, it would be immaterial, as far as we are concerned.

Q. Now, did they tell you at the time they promised a through movement from Marshfield or Coquille to San Francisco over 101, did they tell you they were going to pick up freight all the way down at points south of Marshfield to the Oregon-California State Line for delivery to points in California?

A. We are interested in only one point south of Coquille. No particular mention was made of that. If they obtain a permit which permits them to pick up and the rates are, as we would assume, not higher than the Coquille rates, we would try to have a direct pick-up at Sixes.

Q. That isn't the point I am getting at, Mr. Hoffman. I want to know if they told you that truck was going to give you
219 that rapid service of seventeen hours into San Francisco, was going to stop and pick up freight at all points between Marshfield and the Oregon-California State Line on south-bound movement.

A. I don't recall of any particular statement to that effect.

Q. Did you take that into account when you were contemplating the saving that you would make by using that route?

A. We gave that no particular consideration.

Q. No consideration. Did you ever give any consideration to the fact, or did you know, that they are also going to, in the reverse direction, serve all points in California, north-bound?

A. We wouldn't be interested in that movement.

Q. Do you have any north-bound movement?

A. From San Francisco to the Coos Bay area?

Q. Yes.

A. It would be very trivial.

Q. And yours is almost entirely a one-way movement?

A. We ship our products from Coos Bay to San Francisco.

Q. And the only trouble, as I understand it, that you have been having with the existing service, through the contract carrier that you have been using, is that he wasn't authorized to serve South San Francisco?

A. That was the prime reason we discontinued using it.

Q. You have discontinued using it?

A. Yes, sir.

220 Q. How long ago?

A. Within the past few months.

Q. Could you tell me, in a general way, Mr. Hoffman, approximately how long you think it would take to load a truck at Coquille with cheese or butter for San Francisco?

A. Oh, it is a long while since I handled a hand truck. I don't think I would be qualified to answer that question.

Q. Couldn't you make an estimate?

A. (No answer.)

Q. That would be a truck and trailer, wouldn't it?

A. Well, a man can carry three triple boxes on a hand truck.

Chairman TERRIL. Do you know, Mr. Hoffman?

The WITNESS. I told him I didn't think I was qualified, and he wants me to guess.

Chairman TERRIL. Let's stop there.

Mr. HICKSON. What did he say?

Chairman TERRIL. He says he doesn't know.

Mr. HICKSON. He was going to figure it out for me—if you had let him alone.

By Mr. HICKSON:

Q. It would take about an hour, wouldn't it, Mr. Hoffman, to back a truck and trailer in and load it and have it ready?

Mr. SCHAFER. I am going to ask that there be some relevancy established.

Mr. HICKSON. The witness said he would save from

221 twelve to twenty hours, and that they would run from Marshfield to San Francisco in seventeen hours. I don't believe that is possible. I want to show the delays that would elapse in rendering that service, and one of the delays is Coquille, which is an intermediate point.

Mr. SCHAFER. It is up to the applicant to defend the operating schedule, which has been proposed. He has said that at six the following morning would be satisfactory and that is from twenty to twenty-two hours from the noon before. For that reason, I object to badgering this witness with those questions.

Mr. HICKSON. I am trying to find the source of his information.

Chairman TERRIL. I am inclined to agree with counsel for the applicant. The witness testified he was concerned more with the through service than he was with the length of time that it took to go between the two points. I don't think there is anything to be gained from this.

Mr. HICKSON. If he is willing to base his testimony on that, that is fine. He is more interested in the through service than he is in the time.

Chairman TERRIL. That is what he said.

Mr. HICKSON. All right.

By Mr. HICKSON:

Q. There is no emergency in shipping cheese, is there, Mr. Hoffman, as a rule?

222 A. How do you define an emergency?

Q. Well, it doesn't require any particularly expedited service, does it?

A. Well, cheese is a near perishable product. Prolonged exposure or exposure to heat is detrimental to it. We carry it at cool temperatures.

Q. But you shipped for a long time, did you not, by boats out of Marshfield to San Francisco, on a schedule that left about once every two weeks?

A. I don't recall that we ever made any boat shipments of cheese from Marshfield to San Francisco.

Q. You never did?

A. I don't recall it.

Mr. HICKSON. That is all.

Redirect examination by Mr. SCHAFER:

Q. Mr. Hoffman, do you know how Coos Bay compares with other areas as a dairy producing territory? Do you have any knowledge of the ranking of the Coos Bay District among the producers of dairy products?

A. Well, I think the fact that we established six cheese factories down there shows that we found that it was a very good district. It is the only place we are operating cheese factories in the State of Oregon.

Q. It is the largest producing section along that line in your territory?

223 Mr. BEROL. In where—in the United States, or the world, or South Africa?

Mr. SCHAFER. I mean in Mr. Hoffman's territory.

By Mr. SCHAFER:

Q. By the way, what is the territory under this Portland jurisdiction?

A. Oregon, Washington, and Idaho.

Q. And is the Coos Bay—how does the Coos Bay territory compare to the rest of your territory with respect to the production of dairy products?

A. We carry on no operations around Tillamook. I am not in a position to say how the volume of the Tillamook area compares with the volume of the Coos Bay area.

Q. Now, are you personally familiar with road conditions between Coquille and San Francisco via Medford and Yreka and down that way—Roseburg—as compared to Highway 101; have you driven over both highways?

A. I have driven over 101 within the last year. I haven't been over the connections between 99 and 101 within the last year.

Q. Has there been any gradual and substantial increase in your business in the Coos Bay territory over the past few years— is that business growing?

A. Well, our volume has increased because we have established additional cheese factories during the past—well, we operated—

we put our first plant in there about ten years ago.

224 Q. As far as your business is concerned, it is gradually growing?

A. Our volume is greater now than it was ten years ago.

Q. Do you have any reason to expect an average increase?

A. Well, that is something we have no control over.

Q. You just hope for it?

A. Yes.

Q. Do you know any connecting service down 101 Highway into San Francisco; I mean, do any carriers come to you with through rates down 101 via several connecting carriers?

A. We know there is a connecting service between Marshfield and San Francisco; but as far as we know, there is no through service. There is a connecting service, we know.

Q. Do you know how many transfers are involved in that connecting service?

A. As I recall, it is rehandled at Crescent City. I think there is just the Crescent City, as I recall it, between San Francisco and Coquille.

Q. You don't know the names of those carriers?

A. I don't recall, offhand.

Q. In the event that you had a through service around through Medford, from Coquille, you would still have the problem of shipping from Sixes into Coquille; isn't that right?

A. Will you repeat that question?

Q. I say, in the event that you had a through service from
225 Coquille to San Francisco via Roseburg and Medford, would, in that event, your shipments from Sixes have to be shipped back north some twenty or thirty or forty miles into Coquille—wouldn't they—if that were the only service available?

A. That is right.

Mr. SCHAFER. That is all.

Re-cross-examination by Mr. HICKSON:

Q. Aren't you presently and haven't you been shipping via contract carrier hauling your shipments from Sixes into Coquille for transshipment?

A. To a large extent.

Q. Did a transcontinental contract carrier ever pick up anything at Sixes for you?

A. I don't believe so.

Chairman TERRILL. Does anyone else have any questions of this witness? You may step aside, Mr. Hoffman.

(Witness excused.)

Mr. SCHAFER. I would like to call Mr. Chase.

CLARENCE A. CHASE was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your full name for the record, please?

A. Clarence A. Chase [spelling].

226 Q. And you are connected with the Chase Gardens?

A. That is right.

Q. And where are the Chase Gardens?

A. Eugene, Oregon.

Q. What is your position?

A. I am one of the partners of the firm, and act as general manager.

Mr. BEROL. I am sorry, I can't hear, Mr. Chase. I would like to hear that.

The WITNESS. I am a partner of the firm and act as general manager of the wholesale end of it

By Mr. SCHAFER:

Q. And will you give the Commission some idea of the scope of your business and the history and so forth—when was Chase Gardens founded and how big is it?

Exam. KEPHART. And what is its business.

The WITNESS. We are wholesale growers of flowers and hothouse vegetables. The business was founded about fifty years ago. However, the present scope of the business was started in 1920.

By Mr. SCHAFER:

Q. How large a place do you have?

A. We have a little over seven acres under glass.

Q. How many people do you employ?

A. About an average of fifty during the year.

Q. And what is it you produce?

A. Principally hothouse-grown cucumbers and tomatoes,
227 cut flowers, principally roses, gardenias and orchids, roses, and miscellaneous bulbous flowers.

Q Do you ship any of these products to San Francisco?

A. Yes; principally the cucumbers and some tomatoes.

Q. Do you ship to any other points in California south of San Francisco?

A. Yes; also to Los Angeles.

Q. Are your products perishable?

A. Very much so.

Q. Are you familiar with the services which Consolidated Freightways proposes between Eugene and San Francisco?

A. Somewhat.

Q. What is your understanding of that service?

A. My understanding is that it would be practically an overnight service or first-morning delivery from Eugene.

Q. With departures at Eugene around what time?

A. I just don't recall the departure time, south.

Q Well, I believe it is around noon.

A. I believe it was around noon. I know that it was a time that we could have our products ready.

Q. Are you familiar with the refrigerator equipment which Consolidated Freightways operate and proposes to operate on this run?

A. We are somewhat familiar with it. We have used it a little bit.

228 Q. Do you know what services are presently available to you between Eugene and San Francisco?

A. All of our shipping in the past has either gone by rail express or by truck—principally by Consolidated truck.

Q. Do you know what delivery time is made by Consolidated truck at the present time?

A. Second-morning delivery in San Francisco and the Bay area.

Q. Are you satisfied with that service?

A. Partially so.

Q Well, with the proposed overnight service with mechanical refrigeration benefit your business?

A Yes; very materially.

Q. In what way?

A. Well, any hothouse cucumber or tomato is next to a flower in perishable charactertistics—the faster the service and the cool facilities would be very material.

Q. Would the consumption of your products also be benefited?

A. Naturally.

Q. Does any carrier at present offer you a service such as is proposed here by Consolidated?

A. No; they do not.

Q. Are you solicited by such firms as Lubetich, O. J. Mitchell, Los Angeles Motor Express?

A. At times, during the past years we have been contacted by those firms, but they were always carrying fish, as I recall.

229 Exam. KEPHART. Fish; south-bound?

The WITNESS. Yes.

By Mr. SCHAFER:

Q. Don't you like to have your products mixed with fish?

A. I am afraid not.

Q. Is dry-ice refrigeration satisfactory in your business?

A. No; it is not.

Q. Why not?

A. I wouldn't be able to say that on the vegetables, as we have never shipped that way, but flowers, it is impossible to ship with dry ice because it pulls too much moisture out of them. It never has been successfully used.

Q. It just won't work?

A. It won't work; that is right.

Q. Is rehandling en route a factor which you consider when you select a carrier?

A. It is very material.

Q. What effect does rehandling have upon your products?

A. Well, every product that we handle is of quite a tender or perishable nature and is easily bruised and necessarily every time it is handled, it is a disadvantage.

By Exam. KEPHART:

Q. If it is rehandled from a refrigerator car to a refrigerator car?

A. Well, any handling is a disadvantage.

By Mr. SCHAFER:

Q. Have you done business with Consolidated

230 Freightways in the past between other points?

A. Yes; both north and south.

Q. Have you found them dependable and reliable?

A. Yes, sir.

Q. Do you operate any trucks of your own?

A. No; we do not.

Q. If no improvement is made in the existing facilities, will you continue to use them as they are?

A. In some cases, we will have to. North-bound, if we don't get such a service, we will put on our own refrigeration equipment.

Exam. KEPHART. North-bound—do you mean from Eugene to Portland?

The WITNESS. Yes.

By Mr. SCHAFER:

Q. Now, with an overnight service available to you between Eugene and San Francisco, would you expect that to have any effect upon your volume of sales in the San Francisco territory?

A. Probably not any material difference in volume. It might make a material difference in the net return of the product.

Chairman TERRIL. Mr. Chase, approximately what volume do you move in any one month or during any given period of time?

The WITNESS. Well, the hothouse vegetables, through the year, probably amount to about 250,000 to 300,000 pounds for the year. Flower volumes, I couldn't give you that. It is
231 split up in so many packages.

Chairman TERRIL. Would these vegetables move ordinarily in a full truck or a full trailer load?

The WITNESS. No.

Chairman TERRIL. They would all be less than truckload lots?

The WITNESS. All less than truckload lots.

Exam. KEPHART. The same would be true of flowers?

The WITNESS. Very much smaller units of flowers.

Mr. SCHAFER. You may cross-examine.

Chairman TERRIL. I think we will adjourn at this time until seven o'clock.

Mr. HEDGES. Tonight, or when?

Chairman TERRIL. Tonight.

(Whereupon at 5:30 o'clock p. m., July 8, 1940, the hearing was recessed until 7:00 o'clock p. m. on the same day.)

232 EVENING SESSION 7:00 P. M.

Chairman TERRIL. Gentlemen, we will come to order. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. As I understand your testimony, you are primarily interested in any improvement in service that will speed up the delivery of your products which are perishable in character?

A. That is right.

Q. You are interested in that service—it is either north-bound or south-bound?

A. That is right.

Q. If some of them were here applying for rights to extend that service, a direct service from Eugene to Boise, Idaho, you would be in favor of that, wouldn't you?

A. That is right.

Q. Now, do you ship your products to points on Puget Sound at the present time?

A. Yes.

Q. Whose service do you utilize in reaching Puget Sound?

A. Well, we use railway express, Consolidated Freight, and I believe some by—occasionally by McCracken.

Q. Have you experienced any difficulty in the use of Consolidated service?

A. No.

233 Q. To Puget Sound points?

A. No.

Q. What is the operating time between Eugene and Seattle via Consolidated at present?

A. Second morning, I believe.

Q. That entails handling or transferring of lading at Portland, does it not?

A. I presume they may be handled here; I don't know.

Q. You haven't encountered any difficulty with that, or made any complaint about that service?

A. No.

Q. Have you at the present time, prior to this, made any complaint about the service from Eugene to San Francisco Bay points?

A. Not recently; no.

Q. Then your situation is simply this: So far as this proceeding is concerned, Consolidated Freightways have informed you that they propose to give a speedier service than heretofore?

A. That is right.

Mr. ELLIS. That is all.

Chairman TERRIL. Mr. Hedges?

Cross-examination by Mr. HEDGES:

Q. Mr. Chase, if the Consolidated Freightways, in connection with the Oregon-Nevada Fast Freight, would give you through service from Eugene to San Francisco without

234 interchanging your commodity along the line, and would likewise make the schedule that has been proposed here by Consolidated, that would be satisfactory to you, would it not?

A. We are interested in the time element.

Q. And lack of interchange of the freight itself?

A. And the refrigerated service.

Exam. KEPHART. You mean lack of rehandling—not interchange.

Mr. HEDGES. I mean physical rehandling.

The WITNESS. Lack of rehandling.

Mr. HEDGES. That would satisfy you?

The WITNESS. Yes.

Mr. HEDGES. That is all.

Cross-examination by Mr. FARRENS:

Q. If your products went without interchange to San Francisco and all that happened where Oregon-Nevada-California now interchange was that a trailer was unhooked and another truck hooked immediately onto it and it proceeded on south, that kind of an interchange would not be of any damage to you, would it?

A. No; I don't think it would.

Q. You mentioned a substantial amount of your shipments go via the railway express agency. What is the factor which causes you to use motor carrier service or railway express
235 service?

A. The factor of rate has been one of the prime factors. The Railway Express rates into some points are equal to truck carriers' but in many points they are prohibitive.

Q. Now, do I understand that when the express rates are the equal of the truck rates, that you ship by express as a rule?

A. We do, sometimes, and other times not. It depends upon the service.

Q. You are familiar with the fact that you can get precisely the same time of delivery between Eugene and San Francisco via the express company that the Consolidated has proposed here?

A. Yes; but the rate is very much different.

Q. The rate is higher?

A. Very much higher. In fact, we cannot ship that way.

Q. Where else do you ship by railway express?

A. Principally north, into Seattle, Tacoma, Spokane, and on east into Denver, Salt Lake, Omaha, and those points.

Q. Now, when you were shipping via motor carrier and your product was damaged, do you put in a damage claim?

A. Absolutely.

Q. Have you had occasion to put in damage claims against the Consolidated, and Oregon-Nevada-California?

A. Not recently. We did at one time; several claims.

Q. Now, you say you did at one time. Does that mean
236 several years back?

A. Yes.

Exam. KEPHART. Was that when they rehandled the traffic?

The WITNESS. Yes.

Exam. KEPHART. Have you not done it since they send it through on trailers that were not rehandled?

The WITNESS. We haven't had a claim in the last year. Beyond that, I am not sure.

By Mr. FARRENS:

Q. Well, do you know when they commenced to handle this through trailer, Mr. Chase?

A. No, I do not; definitely.

Q. Then you can't relate the time when you had some claims to present, definitely, to the commencement of this through trailer service, can you?

A. No; except that we have discontinued all express shipments within the last year or such matter. I wouldn't say whether it was one year or two years. Before that we shipped part of the time by express and part of the time by truck.

By Exam. KEPHART:

Q. Do you consider their present service as satisfactory?

A. Yes; except for time.

By Mr. FARRENS:

Q. Well, now, do you know how much lay-over there is of the Consolidated Freightways equipment at the point of interchange?

A. No; I do not.

237 Q. Can you see any reason, Mr. Chase, why two companies interchanging at a point like Medford, couldn't coordinate their service just as well as one company having a division at Medford, we will say?

A. We would very much prefer to have it handled straight through by one firm.

Exam. KEPHART. What is the advantage to be gained by that, Mr. Chase?

The WITNESS. I don't know as I could definitely state an advantage in that particular instance, but we usually do favor a carrier that runs straight through to the destination, wherever there is such a carrier.

By Mr. FARRENS:

Q. Why, Mr. Chase—what is the controlling factor about that?

A. I wouldn't say just why, except that we just do.

Q. Well, it isn't a matter of very great importance if you can't think of any reason for it, is it?

A. Possibly not, in some cases.

Exam. KEPHART. In other words, would you say that it is not a matter of service?

The WITNESS. No.

Mr. FARRENS. That is all.

Chairman TERRIL. Mr. Hickson?

Cross-examination by Mr. HICKSON:

238 Q. Do you ship to any other point in California other than San Francisco, Mr. Chase?

A. Yes; San Francisco, Oakland, Sacramento, and Los Angeles.

Q. You ship as far as Los Angeles?

A. Yes.

Q. And how do you handle your shipments into Los Angeles in reference to the interchange of carloads?

A. Some shipments are made by Railway Express and some by truck.

Q. And when they move by truck, there is an exchange of cargo at San Francisco, is there not?

A. Yes.

Exam. KEPHART. You mean rehandled, Mr. Hickson?

Mr. HICKSON. Yes; rehandled at San Francisco.

The WITNESS. That service has not been very satisfactory.

By Mr. HICKSON:

Q. How long has your company been in business?

A. 50 years.

Q. And you have been getting along all right for those 50 years, I presume?

A. Yes.

Q. With the present service?

A. Not with the present service.

Q. Not entirely. Now, could you give us a general idea as to the frequency of your shipments to San Francisco?

A. Practically daily during the season that we ship south.

Q. And what do you call the season?

239 A. The tonnage of cucumbers moves south from the middle of February until the middle of May; approximately.

Q. February until May. Then what do you have from May on?

A. The fall crop comes along in October and moves until January sometime.

Q. What do you ship other than cucumbers?

A. Tomatoes.

Q. Tomatoes and cucumbers?

A. That is right.

Q. Could you give us an idea of the size of the shipments you ship?

A. It may vary all the way from 100 pounds to two ton.

Q. To two ton?
A. To two ton.
Q. What would you say would be the average shipment which you would have?
A. Oh, probably around one ton as an average shipment.
Q. That is an average?
A. Yes.
Q. Some of them are as low as, you said how much?
A. Occasionally at the beginning of the season, as low as 100 pounds.
Q. All of your shipments, I assume, move over U. S. Highway 99 from Eugene into San Francisco?
A. I think that is true.
240 Mr. HICKSON. That is all.

Cross-examination by Mr. ADAMS:

Q. Mr. Chase, I take it that what you are interested in is service from Eugene to San Francisco which would be a little bit quicker than the present service you have—that is true, isn't it?
A. That is right.
Q. And you don't care by whom it is afforded, do you, as long as you get the service from a reliable carrier?
A. From a reliable carrier; yes.
Q. I take it, from your testimony, that you know the Oregon-Nevada-California Fast Freight has handled your shipments in conjunction with Consolidated between Eugene and San Francisco. That is right, isn't it?
A. That is right.
Q. You are not here complaining about the service of Oregon-Nevada-California Fast Freight, are you?
A. Not particularly so, because we have always considered the shipments as going by Consolidated Freight entirely.
Q. Did you know that Oregon-Nevada-California Fast Freight had an application pending that would enable them to give you direct through service from Eugene to San Francisco?
A. No, sir.
Q. If they have such an application pending, would you oppose such an application?
241 A. Not particularly: no.
Q. And if that carrier could give you service—direct through service from Eugene to San Francisco, you would favor it also, wouldn't you?
A. State that question again.
Examiner KEPHART. Let the reporter read it.
(Last question read.)

The WITNESS. Yes; possibly—though our situation is such that our pick-up—many times there would be shipments north, south, and all, and we try to consolidate that into one carrier.

By Mr. ADAMS:

Q. Well, you misunderstood me. For the purpose of simplifying the question, I said from Eugene south but also it was from Portland. It is from Portland to San Francisco which it would enable them to give service. You would favor such an application likewise?

A. We are interested only in the service.

Q. And on your shipments to Seattle, did you know that Consolidated interchanges its equipment or rehandles your shipments at Portland?

A. Yes, sir.

Q. Now, on these vegetables you spoke of, cucumbers and tomatoes, they are consigned to Jacobs, Talbot and Bird in San Francisco, are they not?

A. Largely so; in San Francisco.

Q. And the San Francisco people buy them f. o. b. Eugene,
242 do they not?

A. No. They are all handled on a consignment basis.

Q. As far as your flowers are concerned do you ship them mostly by railway express?

A. Up to the present time, yes; largely.

Q. Does a consignment merchant usually control the rate?

A. No; he does not.

Q. Not as far as you are concerned, anyway?

A. No.

Cross-examination by Mr. HICKSON:

Q. Mr. Chase, you have been using the Consolidated service in shipments to California, and the Oregon-Nevada-California Fast Freight?

A. Well, as long as I can recall, they have operated that way.

Q. You knew there were two other companies that gave direct through service, did you not, from Eugene to San Francisco?

A. Yes.

Q. Did you ever use their service?

A. I think we have made one or two shipments by Pierce Auto Freight. I believe no others that we have used.

Q. Did you ever use Pacific Truck Express to San Francisco?

A. I think one shipment.

Q. Well, if that service would be through service and that is what you desire, why don't you use Pacific Truck rather than Consolidated, when you interchange at Medford?

243 A. We had rather a disasterous experience with one shipment.

Q. How long ago was that?

A. Within the last two years. I wouldn't say just when.

Q. Did they have a wreck or something?

A. I don't just recall the circumstances except that there was a claim.

Q. You mean your property was damaged en route some way?

A. Yes; very poor handling.

Q. Was the claim paid?

A. What is that?

Q. Was the claim paid?

A. Yes; I believe it was.

Q. And that is the only thing that you can say now that was wrong with that service?

A. Yes; that was very much wrong though.

Q. Yes; I know but that was the only thing that was wrong with it, wasn't it?

A. Yes; that was all.

Mr. HICKSON. That is all.

Redirect examination by Mr. SCHAFER:

Q. You testified that you now enjoy second-morning service to Seattle via Consolidated. Would it occur to you that the north-bound trip, in connection with the through San Francisco-Seattle service, could pick up at Eugene at 2:30 in the afternoon and

244 deliver into Seattle the next morning—would that be of benefit to you?

Mr. FARRENS. Just a moment. I object to that question. The service from Eugene north is fully in their hands now. It has nothing to do with the extension.

Mr. SCHAFER. Well, in answer to that——

Mr. FARRENS (interposing). That is simply a matter of their own voluntary scheduled arrangement.

Examiner KEPHART. That is not in issue here.

Mr. SCHAFER. The point I was trying to make, your Honor, was that an incidental benefit of this through service will be a faster north-bound service for this witness' shipments to Seattle. Now, it is true that that isn't where we are seeking the extension, but, of course, the carrier couldn't afford to originate such a schedule, but it is an incidental benefit. I will ask the witness another question, and reach it another way.

By Mr. SCHAFER:

Q. I believe you testified before dinner, that you were giving some serious consideration to putting on your own truck north

from Eugene. Is that because you were not satisfied with the existing service north from Eugene?

A. We are not satisfied with any of the existing services north.

Q. Does that go for Consolidated Freightways second-morning service to Seattle?

A. That is right.

Q. Has your business shown any increase or growth in the
245 past five or ten years?

A. I think we have missed about two years in the last ten that we didn't increase our glass area.

Q. For eight years, then, you have shown an increase every year?

A. That is right.

Q. What were the details of this dissatisfied service with Pacific Truck Express? I didn't understand whether it was a wreck or what?

A. I don't think there was a wreck. It was just rough handling. A lot of the freight arrived broken, and the cucumbers in and out of the cases.

Q. Was the claim settled promptly?

A. Reasonably so.

Mr. SCHAFER. That is all.

Chairman TERRIL. Are there any further questions of this witness? You may step aside. Thank you very much.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Banning.

ROBERT E. BANNING was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you state your full name for the record, please, Mr. Banning?

A. Robert E. Banning; B-a-n-n-i-n-g [spelling].

246 Q. And you are employed by Allis Chalmers Manufacturing Company?

A. Yes, sir.

Q. What is your position there?

A. Traffic and parts manager.

Q. Traffic and parts manager?

A. Yes.

Examiner KEPHART. In Portland?

The WITNESS. Yes; the Portland branch.

By Mr. SCHAFER:

Q. Are you familiar with the application which is here pending before the Interstate Commerce Commission?

A. Yes, I am.

Q. Have you done business with the applicant, Consolidated Freightways?

A. Yes.

Q. Over how long a period of time?

A. Why, through my entire connection with the Company, about five and one-half years that I know of.

Q. Do you find them reliable and dependable?

A. Very much so.

Q. Who from Consolidated Freightways calls upon you to solicit their business?

A. Bob Jones from the sales department.

Q. He is in charge of the sales force here?

A. Yes.

247 Q. Did you write a letter to Consolidated Freightways for the attention of Mr. Jones, setting forth your position with respect to this application?

A. I did.

Q. Is this that letter and your signature [showing document to witness] ?

A. Yes, it is.

Mr. SCHAFER. If the Board please, I would like to have the witness read his letter into the record.

Mr. FARRENS. That is objected to. That gives no opportunity to object to the testimony, and the witness is in the chair, and there is no reason why the testimony can't be elicited by interrogation.

Chairman TERRIL. I think the objection is well taken. The witness is here, and he can testify as to any facts that you might want.

Examiner KEPHART. There might be a lot of surplusage that might not need to be incorporated in it.

Mr. SCHAFER. I can do that; yes. I think that, for anybody that has used as much "canned" testimony as Southern Pacific, it is unbecoming for Mr. Farrens to object to the reading of his own letter as written to Consolidated Freightways voluntarily.

Chairman TERRIL. Well, let's save time. The Chair has ruled.

248 Mr. SHAFER. We are not going to save any time. Now, just a minute; I am going to have to read the letter and frame my questions. It is going to take some time.

Chairman TERRIL. We will allow you all the time you need to read the letter.

By Mr. SCHAFER:

Q. Where are the main offices of your company, Mr. Banning?

A. Our main offices are at Wisconsin and Springfield, Illinois.

Q. Do you maintain any West Coast branches or stores?

A. Yes; Spokane, Portland, San Francisco, and Los Angeles.

Q. Do those branches all maintain a stock of parts?

A. Yes.

Q. What line of commodities does Allis Chalmers manufacture and distribute?

A. A complete agricultural line—farm machinery of all kinds, implements, tractors, industrial machinery, tractors and road grading machinery, mining machinery, sawmill machinery, everything in the industrial line—transformers and electric motors, and everything of that sort.

Q. Do you carry as large a stock of parts and machines as your San Francisco store?

A. No.

Q. Which carries the largest stock in your territory—I mean in the West Coast?

249 A. San Francisco.

Q. Why does San Francisco carry the largest stock of the three stores?

A. Well, it is just a gross of the sales. In the first place, the need is more pressing there, due to the fact that there are more machines in the San Francisco Bay territory—that is, taking in the territory by that branch.

Q. Do you ever have occasion to ship from Spokane or Portland to San Francisco?

A. Quite often.

Q. What situations arise that cause that?

A. Well, it is impossible to carry a complete line of repairs for several different reasons, the most important being that it is the element of human errors that you can't always have what the customer wants. If you do have it, you have got to carry a controlled stock in a business like ours, and the controlled stock will often get out of control. That is the reason that we have to call on the other branches on the West Coast to transfer parts back and forth.

Q. Now, is there any question of transit time involved in filling these emergency orders?

A. Very much.

Q. Do you write or wire for your fill-ins that are necessary?

A. We wire or telephone. That is, in the majority of 250 cases we do.

Q. What transportation services do you call upon to meet that need?

A. Air express, express, parcels post, auto freight; I think that is about all.

Q. Are you familiar with the services which are presented available to you?

A. Yes, I am.

Q. What rail l. c. l. service do you have between San Francisco and Portland?

A. We don't use l. c. l. rail service at all.

Q. Do you know what the transit time is?

A. I believe it usually amounts to about four days in our case.

Q. That has been your experience?

A. Yes.

Mr. HEDGES. Between what points was that?

Mr. SCHAFER. Between San Francisco and Portland.

By Mr. SCHAFER:

Q. Now, are you familiar with the rail service between San Francisco and Spokane?

A. I am familiar with it, although we have never used that service to my knowledge between San Francisco and Spokane.

Exam. KEPHART. Are you speaking of parts or entire units of equipment?

The WITNESS. Entire units of equipment and parts.

251 By Mr. SCHAFER:

Q. Now, what is that rail service between San Francisco and Spokane?

A. I couldn't give you the exact days, although I believe that it is usually f h morning; that is on rail shipments.

Chairman FERRIL. That is on l. c. l. movement?

The WITNESS. Yes; l. c. l. or carload.

By Mr. SCHAFER:

Q. What is the motor service presently available to you between San Francisco and Spokane?

A. San Francisco and Spokane is, I believe, fourth-morning delivery.

I am not too familiar with the delivery because I have a man in Spokane who handles at the subbranch there—who handles that freight. As to the delivery date, I couldn't be certain, but I am sure it is four days.

Q. Do you have any occasion to place orders from San Francisco to such places as Seattle and other points in the Northwest?

A. Oh, yes.

Q. Give us some examples of such orders?

A. Well, we have users, owners of our machinery all over the Pacific Northwest covered by this branch and it is necessary that we supply them with parts or complete machines occasionally, out of our San Francisco or possibly Los Angeles branches. That is happening every day, that we are called on to get ship-

252 ments from the other branches in the Northwest for users, going direct, I would say, as to practically every wayside store in the Pacific Northwest.

Exam. KEPHART. Do you ship H. D. Tractors by truck?

The WITNESS. Not if we can help it.

By Mr. SCHAFER:

Q. Why can't you anticipate your requirements, for instance, on machinery parts or motor blocks or such shipments as that?

A. Well, that is due mainly to the fact you never know—if you reach out and say "This part is going to break tomorrow," you could have one, but that is impossible. Parts will lay in our stock for a great many months and there will be no call for them, and within a period of a day or weeks they will all go out before we can get a chance to replenish our stocks from the factory.

Q. Did you ever have any of that come to your mind?

A. There is one particular example—a motor block used by a large tractor; a six-cylinder tractor. We always try to carry two of everything, at least, in our stock. We had two motor blocks for, I think a little over 20 months which laid in our stock and moved within a week. One call came in from Seattle from a logger, about—oh, I would say a period of two hours after I received the call from Seattle to ship the one, I received a wire from one of our large accounts in Alaska to ship the second one. The
253 following morning I received a call from a local logger here for a third one which naturally I did not have. That was all within a period of 48 hours that that happened. It had laid in our stock for over 20 months.

Q. Do you know whether that was an inconvenience to the logger who was unable to get the parts?

A. Well, there is, fire—right at this time right now, there is fire in the woods and it so happened that had the logger been able to use the tractor, he feels that he could have controlled that fire more than it was controlled. In fact, it was tied up for almost three days, two days of which was due to our not having the part in stock here.

Q. Is that just a rare instance, or are these emergencies fairly consistent and constant?

A. I hope there are no competitors in the crowd, but that happens quite often.

Q. And you handle farm machinery?

A. Yes.

Q. And the same sort of emergencies arise in connection with farm machinery?

A. Yes, they do; and it is equally important for the farmer.

Q. Now, would a saving of 24 hours between Portland and points in Washington, such as Spokane, Wenatchee, Yakima, and Seattle be—would you state whether or not you feel the need for such a saving?

A. Yes.

254 Mr. FARRENS. I object to that on the same ground, namely that the service between here and Seattle and Spokane is fully under their control in regard to the hours.

Mr. SCHAFER. The question I am asking is San Francisco to those points.

Mr. FARRENS. I misunderstood the question.

The WITNESS. We feel that service is needed because we are forced to use more expensive methods of transportation because there is not an auto freight or l. c. l. rail service to take care of that.

By Mr. SCHAFER:

Q. Well, is that additional cost out of your pocket or out of the farmers' pockets?

A. Usually out of the farmer's pockets because parts are shipped direct to him and the transportation charge is collect.

Q. Are there instances where mills or contractors and so forth must shut down their operations waiting the arrival of the parts from San Francisco?

A. Yes.

Q. Do you have numerous instances or just isolated instances?

A. Why, whenever a part is needed, there is a shut-down or it wouldn't be needed, so I would say that they are numerous.

Q. That applies all over the Northwest?

A. Yes.

Q. Does Alaska come into this picture—do you furnish Alaska with parts?

255 A. Alaska; the full Territory is covered by this branch in Portland.

Q. What is the problem with respect to Alaska?

A. The problem is getting our orders here in time to get the shipment back out in order to catch the boat and due to their short seasons up there.

We get orders in on one boat and they will request us to—we will get mail in on that boat and they will request that we ship parts back on the same boat, leaving a day or two later, which doesn't give us much time to consolidate the orders if we are short certain items in the Portland branch stock.

Q. If you miss the boat, what happens?

Chairman TERRIL. The boat or the bus, Mr. Schafer?

The WITNESS. I would be glad to give an example.

Mr. SCHAFER. You can.

The WITNESS. We have one man that walked 62 miles in Alaska to get a piece that you could take in your hand and toss from here to the other end of the room. We didn't get the piece back on the boat and it cost him his entire season's earnings which he says is a little over $36,000 clear. He is a gold man. 62 miles in and 62 miles out is several days walking, besides the time he spent waiting for the part that didn't come.

Mr. FARRENS. Did you pay the claim, Mr. Banning?

256 The WITNESS. Not yet.

By Mr. SCHAFER:

Q. Is mining machinery one of the items your company handles?

A. Yes.

Q. Where is the largest stock of mining machinery on the Pacific Coast?

A. On the Pacific Coast, it is in our San Francisco store. We carry a very small stock here.

Mr. PERRY. You mean of your company?

The WITNESS. That is of our company, the West Coast branches.

By Mr. SCHAFER:

Q. Do you know if any other city on the West Coast handles mining machinery stocks as large as those carried in San Francisco in your company?

A. Not in our company; no.

Q. Now, are you satisfied with the existing through lines between San Francisco and Seattle and Portland?

A. No; we are not.

Q. Have you had any difficulty doing business with them; any of them?

A. Quite a bit. We have had numerous delays and things of that sort, that make it—it drives us to more expensive methods of transportation, as I said before.

Q. Do you know of any transportation company giving a service to Spokane such as is now proposed—second morning from San Francisco?

257 A. No.

Q. Did you ever do business with Colletti Fast Freight?

A. I tried to, but was unable to make satisfactory connections, so we just dropped it and have never tried since.

Q. Do they solicit your business?

A. No. The only thing I know about Colletti is what I have heard and seen of their trucks occasionally.

Q. How about the Pacific Refrigerated Lines, have you ever tried to do business with them?

A. I never have been able to find them to my knowledge. The shipping department has tried, but they are not represented in Portland, that I know of.

Q. Have you done business with the Los Angeles-Seattle Motor Express?

A. No.

Q. Do they call upon you?

A. No; they do not.

Q. Would the fact that the shipments from San Francisco via Consolidated would arrive here in the evening, instead—on the evening of the first day instead of the morning of the second day, be of any value to you at all?

A. Yes, it would; because in an emergency I know that I could get that shipment that evening.

Q. And what would be the typical example of such an emergency?

258 A. Well, this motor block that I referred to, again; it was possible for the man who wanted the block to pick it up from the express company. It was necessary for us to ship it by express, which gets in in the evening, and pick it up. He was a little bit put out about the express charges on it.

Q. What did he want to pick it up at night for?

A. Well, he figures his tractor operation is worth about $250 every 24 hours. That is $125 for the night's operation that he able to gain.

Mr. HICKSON. If the Board please, I think we ought to have some of these witnesses. The one that walked 62 miles and the one that values the use of his tractor so highly. It seems to me it is about time that we had some testimony from these witnesses themselves.

Mr. SCHAFER. As the parts manager here in Portland, he certainly has personal knowledge of the service he receives which is to the detriment to his customer.

Mr. FARRENS. If the Board please, I happen to have personal knowledge that you can hire all the cats in the country at $6.00 an hour.

Chairman TERRIL. Let's stop right where we are. Will you conduct your examination please, Mr. Schafer.

I think there is some hearsay testimony here, perhaps, Mr. Schafer.

Mr. SCHAFER. We will study it in the record and
259 determine its weight, of course.

By Mr. SCHAFER:

Q. Now, in your experience from handling these shipments, have you formed any preference one way or the other as between a through service by one carrier and a connecting service by means of several joint carriers?

A. We naturally show a preference towards the through service because there is less possibility to damage to our freight in the first place, and of a lay-over in the second place. There is always the damage of a lay-over when there are several connecting carriers. That has happened to us.

Q. You say that has happened. Have you any instances where that has happened recently?

A. Well, about 8 months ago, on a shipment from the San Francisco branch to Corvallis, Oregon, there was a lay-over of—the shipment was five and one half days being delivered to its destination.

Q. Did you find out what caused that delay?

A. Not to my own satisfaction, no; although it was laid over and carried over.

By Examiner KEPHART:

Q. By what carrier was that transported?

A. The final destination was supposed to be carried by Pacific Truck Express. I believe it was Oregon-California Fast Freight to Medford and it was laid over at Medford.

Mr. ADAMS. Just a minute; let's not have any belief
260 here. If you don't know, why, say so.

Mr. SCHAFER. Now, Mr. Adams, you address your objections to the joint board and don't instruct my witness.

Chairman TERRIL. The examiner asked for that answer.

Mr. ADAMS. I don't think the examiner asked for it in the form of "I believe."

Examiner KEPHART. Of course, he assumed that the witness knew, and if he does not, he should so state.

Mr. ADAMS. That is my objection.

Mr. SCHAFER. You may object all you want to, but I want you to address your objections to the board.

Mr. ADAMS. I object to any answer on the basis of a belief.

By Mr. SCHAFER:

Q. Do you have any other instances of a shipment from San Francisco to points north—say north of Seattle or in that territory, that you know have been held over at Medford?

A. A shipment of a tractor transmission case consigned to the Hamburg Iron Works, Mt. Vernon, Washington, routed c. f. f. Medford; Consolidated Freightways to Portland, and Robertson

Transfer Line to Mt. Vernon, Washington. It was laid over in Medford one day.

Q. Was that an inconvenience to you?

A. Yes.

261 Q. You know it was laid over in Medford one day?

A. Yes; I found that out from the Medford agent.

Q. Of what carrier?

A. The Consolidated Freightways.

Q. Do you know why it was held over?

A. Well——

Mr. ADAMS. Do you know of your own knowledge or is that what someone told you?

The WITNESS. I naturally wouldn't take the word of the person that told me because they were in an embarrassing position. All I can say is that it was held over.

Mr. ADAMS. Well, if it was what someone told you, just say it was not of my own knowledge.

Exam. KEPHART. He hasn't stated why. He merely said that it was held over.

By Mr. SCHAFER:

Q. Have you any further statement to make with respect to your need for an expedited service of the type here applied for?

A. Well, there is a great need for it. I know that our company needs it, and I know that other companies must need it.

Mr. FARRENS. I move to strike the last portion of that answer.

Chairman TERRIL. I think that is true. You may testify as to what you know, but not as to what some other person knows.

262 The WITNESS. I know we need it, and that it would be a saving to us and to our customers.

Mr. SCHAFER. You may cross-examine.

Chairman TERRIL. How frequently do you have these shipments moving from San Francisco north and either to Portland or to Washington points?

The WITNESS. I would say an average of once a week.

Exam. KEPHART. Have you ever shipped by Great Northern Railway from San Francisco to Spokane?

The WITNESS. No.

Chairman TERRIL. Cross-examine.

Cross-examination by Mr. ELLIS:

Q. Mr. Banning, I assume that your major shipments of tractors and heavy motors and machinery are transported largely by rail; am I correct?

A. That is correct.

Q. And your use of motor vehicle equipment is confined almost entirely to the shipment of repair parts?

A. We ship a great deal of agricultural machinery by motor freight.

Q. That is the smaller machinery?

A. Smaller machinery, yes; implements.

Q. That is a very small part, however, of the total freight shipments of your company?

A. You mean the implements are a small portion?

263 Q. The implements and the parts.

Exam. KEPHART. In tonnage, you mean?

Mr. ELLIS. I mean in tonnage.

The WITNESS. Yes; naturally.

By Mr. ELLIS:

Q. Undoubtedly your company does maintain in its several branches at Spokane, Portland, and San Francisco, and Los Angeles, as complete a stock of repair parts as it believes the needs of its customers require?

A. That is right.

Q. And as I understand your testimony, it is only in these rather rare emergencies, where you have been unable to anticipate the demands of your trade, that your demands for expedited service occur?

A. I wouldn't say rare cases; no. I would say in all cases.

Q. It is rare when you consider your total transportation problem, however.

A. Oh, quite right; yes.

Q. Now, take this example of the small part of a mining machine that you could "throw across this room," how did you ship that?

A. Well, we finally ended up by shipping it air express.

Q. And by shipping it air express, you were able to get it to destination within a very few hours' time?

A. No. It is a little over five weeks from the total time; at the time he placed his order, until he received his part.

Exam. KEPHART. Where was it shipped from?

264 The WITNESS. It was shipped from Springfield, Illinois, to Portland and reshipped from Portland to Seattle and carried on to Nome and from Nome through various channels.

Exam. KEPHART. Where did the air express begin?

The WITNESS. Chicago. It was shipped by rail from Springfield to Chicago.

By Mr. ELLIS:

Q. That didn't involve any part of the route proposed in this application between San Francisco and Portland then?

A. Yes, it did; because had I been able to get the shipment from San Francisco to Portland in the same time—this happened the

last Fourth of July—and it carried through there, holiday season, Sundays, and a few things of that sort that made it impossible for us to get quick service. We got it quicker, finally, out of the factory than we could have obtained it from the south.

Q. You could have shipped it by air express from San Francisco to Seattle within 8 hours, couldn't you?

A. Had I been able to get it there at that time.

Exam. KEPHART. You mean it wasn't in stock in San Francisco?

The WITNESS. No; theirs had gone—their particular part had gone to Los Angeles, and mix-ups do happen in our business, too. We were just unable to make connections.

265 Mr. FARRENS. If the Board please, I move to strike all of the testimony relating to this particular shipment.

Mr. ELLIS. I join in that motion.

Mr. SCHAFER. On that point, the incident was merely brought out to show the instances that arise in his business. It didn't apply to this particular route and I don't think that it was intended to.

Chairman TERRELL. I think the testimony may be allowed to stand. It shows the type of service that this customer demands. It will be allowed to stand in the record for what it is worth.

By Mr. ELLIS:

Q. You have called attention to a shipment from San Francisco to Corvallis about eight months ago in which there was a five-and-one-half-day delay, and a shipment to Mt. Vernon, Washington, where there was a lay-over of one day at Medford. How long ago did that Medford delay occur?

A. The Medford delay was last month or the month before—June—right close to the first of the month, I believe.

Q. Have you ever experienced any delays in the shipment of freight between Portland and Spokane or between Portland an' Seattle?

A. No.

Q. Have you ever experienced any delays in lay-overs at destination or in delay at the delivery at destination?

A. I don't quite understand your question. You mean just not delivered?

266 Q. Yes.

A. We experienced that quite often through connecting carriers. However, I would say on shipments direct to Seattle or Spokane, we do not, because our local dealers at those points and our branch there demands immediate delivery.

Q. You don't recall of any case within the past eight months when you have had a delay of any kind on a shipment from Spokane to Portland or from Portland to Seattle?

A. Not at the present time; no.

Q. Where is this Mt. Vernon shipment transferred to Robertson—at Portland?

A. At Portland; yes.

Q. Do you know how it happens that we transferred to him at Portland?

A. I requested it that way, because Robertson is a through carrier to Mt. Vernon, whereas Consolidated is not.

Q. You preferred to have it transferred at Portland rather than some point farther north?

A. Hoping that I would catch the Robertson truck out of Portland that would make delivery the next morning.

Q. But these 2 instances of delay, which you attribute to connecting carriers, are the only two that have come to your attention in this particular territory during recent months?

A. The only two major ones; yes. There are quite often small ones, but they are of no consequence, that is—not enough
267 to bring up here.

Q. Well, your service generally by motor carrier is much better today than it was two or three years ago, is it not?

A. Yes, it is.

Q. It is constantly improving?

A. Constantly improving, and far more satisfactory in every way.

Q. And the principal point of your appearance here is to urge further improvement?

A. Quicker delivery and further improvement at the motor freight costs.

Q. And the cost or the rate element is an important one from your standpoint?

A. Yes; naturally.

Q. Notwithstanding the fact that the charges are normally borne by the consignee or the purchaser of the article?

A. The expense in obtaining it is what our future business depends on; naturally.

Q. Now, in replacing these parts you are not in competition with other parts houses, are you?

A. In motor parts, we are.

Q. But as to most of your equipment, the parts are not interchangeable, and it is necessary that the customer buy from you?

A. That is true.

Q. Therefore you can't experience any great loss in busi-
268 ness by reason of a slight delay?

A. Oh, no; not in the parts business. We can in future business—that is, future complete machine business.

Mr. ELLIS. That is all.

Chairman TERRIL. Mr. Hedges.

Cross-examination by Mr. HEDGES:

Q. Mr. Blanning, were you here before dinner?

A. I was here for a few moments this afternoon; yes.

Q. Did you hear either Mr. Jennings or Mr. Wiseler testify as to the present methods of interchange at Klamath Falls? At Medford, and what is proposed by this application?

A. I got in just on the detail end of Mr. James' testimony and I sat over there and wasn't able to hear very much.

Q. If shipments originating in San Francisco and destined to Spokane, or Seattle, or Tacoma, could be handled by the Oregon-Nevada-California Fast Freight and the Consolidated Freightways, with interchange at Klamath Falls and Medford, without physically rehandling the commodity, and having the same elapsed time as proposed by the applicant in this case, would that suit your needs?

A. Certainly.

Q. Have you had many claims for damage because of interchange at Medford or San Francisco?

A. We, ourselves, do not, because the majority of our motor freight shipments are direct to the consignee. Our con-
269 signees, however, do have quite a few, although I couldn't say that they are blamed directly on the interchange of the transfer of freight.

Q. Do you know what would occasion the reason for those damages?

A. Well, the only thing I could say would be poor packing or too much handling en route.

Q. Do all of those claims filed by the consignees come to your attention eventually?

A. No. Very few of them.

Q. How do you know there are a great many of them, then?

A. Well, I have been in the field, keeping constant contact with our customers and our dealers and these things are called to my attention in a conversational way, and I get calls for replacement parts if the original shipment is damaged beyond immediate repair.

Q. Well, then, they do come to your attention eventually?

A. You asked me if all of them came to my attention.

Q. I meant to ask you if all or a great part of them; I beg your pardon.

A. Well, I would say a small percentage are called to my attention directly.

Q. And over what period of time—for how far back have these damages occurred?

A. Well, as far back as my connection with the company
270 goes, I know that.

Q. And they are still occuring at the present time?

A. Yes.

Mr. HEDGES. That is all.

Cross-examination by Mr. FARRENS:

Q. Has the ratio of damage claims on shipments been as high in the past 12 months as the past years?

A. Are you speaking of strictly motor freight shipments now?

Q. Yes; and I am limiting my question still further than that—to that which is handled by Consolidated and Oregon-Nevada-California.

A. Well, I would say that as a whole they have decreased a slight amount.

Q. That is, you mean all carriers?

A. All carriers; yes.

Q. Yes. Now, have you noticed any particular decrease in damage claims during the past 12 months as compared with the previous years on the joint lines of Consolidated Freightways and the Oregon-Nevada-California?

A. No.

Q. Did I understand you to say that your l. c. l. rail shipments from San Francisco to Portland arrive on fifth-day delivery?

A. Fourth day, I think I said; fifth day into Spokane. That is partially due to a transfer here in Portland.

Q. Where did you get that information?

271 A. Well, the shipments that come into us; the occasional shipments that we get into our branch in Portland.

Q. When did you last ship by l. c. l. from Portland?

A. I believe that we had a shipment this morning, l. c. l. by rail.

Q. That wasn't express?

A. No.

Q. Fourth-day delivery?

A. I am quite sure of that.

Q. And when did the last shipment from San Francisco to Spokane come?

A. To the best of my knowledge, there hasn't been one for a good many months.

Q. You wouldn't know what the present rail service would be: San Francisco to Spokane, would you?

A. No.

Q. Now, you said that you were not satisfied with the through service of the existing lines. Will you name the lines to which you refer?

A. Well, the connecting lines—the lines with which I deal are Consolidated and Pierce, and their connecting carriers from the San Francisco area up.

Q. Are Consolidated and Pierce the only motor carriers you deal with?

A. At the present time; yes.

272 Q. How long has that been true?

A. Oh, I would say a little over two years. We used to use Pacific Truck Express.

Q. Now, for some time the Pierce lines have been running between Portland and San Francisco in a single through service.

Mr. SCHAFER. Now, if you are testifying, Mr. Farrens, why, tell him how long, because if you are telling him all about this service, tell him how long.

Mr. FARRENS. Mr. Schafer, I would appreciate it very much if you would refrain from making objections until I have finished my question.

Chairman TERRIL. Let's have the question.

Mr. FARRENS. You haven't got the full question, if the court pleases.

Chairman TERRIL. Will you give me the portion of the question you have, Mr. Reporter?

(The last question was read.)

Chairman TERRIL. Now, will you repeat your question.

Mr. FARRENS (continuing). And I would like to have you state whether or not you find the Pierce Lines service—through service—preferable over the interchange service of the Consolidated and the Oregon-Nevada-California?

A. Well, if that were a daily through service, I would probably; but as I understand it, and as I have been told, that it is not a daily service.

By Mr. FARRENS:

Q. Who were you told by and when?

273 A. By the Pierce Auto Freight Company.

Q. When?

A. Oh, I imagine it has been three or four months ago. Occasionally they were running through trucks and would be—they hoped to develop a daily service, but that they couldn't offer me anything at the present time or even to the exact days that they would run those through trucks.

Q. Don't you know, Mr. Banning, that the Pierce line has been running a scheduled truck through once a week for a long time?

A. Well, no, I don't.

Q. Don't you know that recently the Pierce Auto Freight Line commenced to run a daily schedule between Portland San Francisco?

A. I haven't been advised of that fact; no.

Q. Well, now, if it is a fact that Pierce Freight Line is running a daily through service between Portland and San Francisco, will not that satisfy your needs for a through service?

A. A through service—depending on the time that they make delivery.

Q. But as far as damage claims or damage resulting from handling that interchange at Medford, that would eliminate that objection entirely, wouldn't it?

A. Yes; it would.

Q. And it would also eliminate all objections due to delays occasioned by interchange, wouldn't it?

A. Yes.

274 Q. And then if the service of these two operators that you would be using are equal and Pierce makes the fastest time that it is practical to make, that service would be satisfactory, wouldn't it?

A. If Pierce were making the fastest time, I naturally would use Pierce freight.

Q. And you wouldn't need a second carrier performing that service, would you?

A. Not unless they could do it quicker.

Q. Now, if I understood your testimony about that Mt. Vernon shipment, it laid over a day in Medford?

A. Yes.

Q. Well, if the Consolidated permitted a shipment to lay over a day at Medford, how about San Francisco?

A. Did you understand that Consolidated permitted it to lay over a day?

Q. Well, if it was a day longer, they must have let it lay over, mustn't they?

A. I don't know who was responsible for the lay-over, whether it was the connecting carrier or Consolidated.

Q. The connecting carrier performs its duties, doesn't it, when it delivers to Consolidated for transportation north?

A. If I could have been sure of that, I could have given a direct answer.

275 Q. Now, for quite a number of years Pacific Truck Express—for sometime, anyway, Pacific Truck Express, a few years ago, was offering daily service between Portland and San Francisco; did you patronize them?

A. You say did I or would I?

Q. Did you?

A. We did, for sometime; yes.

Q. And did that eliminate the damage claims which you think might be occasioned by interchange handling?

A. It eliminated the—well, I will put it this way: We didn't have any damage claims against the Pierce Company on shipments through there.

Q. I said Pacific Truck Express.

A. Excuse me; Pacific Truck Express.

Q. You have used them too in the past, have you?

A. We have.

Q. Why did you use Pacific Truck Express?

A. The specific reason was that shipments of furniture, linoleum, and so forth, were being delivered in Portland prior to the machinery shipments. We got our deliveries as late as 12 and 1 o'clock in the afternoon, where we know that shipments of linoleum were delivered earlier in the day on the same truck coming in.

Q. You, then, insist on receiving the first load of delivery out of any units coming to Portland?

A. We want darned near the first one; yes.

276 Q. Do you get that preference from Consolidated Freightways?

A. Consolidated and others; we do.

Q. And that preference is granted to you steadily?

A. Yes, sir.

Q. And every load that comes up here, you get the first delivery on?

A. Well, all I have to do is call them up and tell them I am looking for a shipment, that I want it delivered early, as soon as the truck gets in, and it is always delivered. I would say as quickly as they can deliver it.

Q. And there are no linoleum shipments or anything of that kind delivered before yourself?

A. Not if I know about it.

Q. By the way, how can you tell when the damage results to one of your shipments, whether it was occasioned by handling in the interchange at Medford?

A. I don't believe that I have said that I could. There are various ways that you can tell.

Q. As a matter of fact, you cannot tell, can you?

A. You can; yes.

Q. You can tell with respect to damage to a specific shipment, whether it was occasioned by interchange handling?

A. If you go far enough back of the shipment and find where it was loaded in the truck and against what, there are such things as paint marks or possibly spilled sugar or chunks of wood

277 which would indicate the way it was handled; but we have never done that. We have taken for granted that when a box is broken or crushed, that it is done in loading or unloading,

Q. But the position the article occupies in the truck is not a result of interchange, necessarily?

A. No.

Q. Now, getting back to the question of the damage of interchange handling; is there any way that you can tell if a piece of goods has been damaged by handling at the interchange?

A. Well, if a square box, as an example, were one corner of it was smashed, you would take it for granted that that was not done in transit because a square box would ordinarily lay on one of its sides. You would presume that that box was dropped or bumped in some manner.

Q. That could occur at the point at which it was loaded, at the point at which it was handled from the pick-up truck to the initial line haul truck, or at the point where it was handled from the line haul truck the pick-up truck or even at the point where it was dumped out of the truck and delivered to you; is that not right?

A. That is quite right.

Q. But it is not possible for you to tell whether it was thus occasioned or on the interchange handling; is that not true?

A. If it had happened at the point of pick-up or delivery, we are usually notified. We have what we like to feel is that
278 amount of power over the motor freight carriers, that they would advise us.

Q. Now, in connection with your shipments that move by this applicant and connecting carriers, tell us precisely what claims you have had that you could identify as resulting from interchange handling during the past year?

A. Do you want specific dates?

Q. Anything you are sure resulted from interchange handling, of your own knowledge, now?

A. I don't believe that I could say I am sure that I know. I wouldn't say that there had been any. Information given me leads me to believe that it was due to transfer or handling en route.

Q. Now, was that information given to you recently with respect to the shipment?

A. No; I wouldn't say—it has been over six months.

Q. Has it been given to you by Consolidated since they filed this application seeking to do away with interchange shipments?

A. No; sir.

Mr. FARRENS. That is all.

Chairman TERRIL. Mr. Hickson.

Cross-examination by Mr. HICKSON:

Q. I didn't get what you sold, Mr. Banning—just what do you sell?

A. Agricultural and industrial machinery of all sorts.

279 Q. Is that all?

A. I could go into quite a tirade about what we manufacture and sell.

Q. I don't want you to go into a tirade. I want to know what you sell.

A. Agricultural machinery.

Q. You told us that.

Mr. SCHAFER. Now, just a minute. It is going to be repetition, whatever it is.

Chairman TERRIL. I think the record is clear.

Mr. HICKSON. I am not satisfied with the record.

By Mr. HICKSON:

Q. You sell spark plugs and magnetos, don't you?

A. We sell them as accessories and parts of our machines.

Q. Do you sell other parts to other companies other than the ones I have named?

A. We do not sell any parts such as you have named that are used by auto freight or motortruck companies for automobiles.

Q. You sell tractor parts?

A. Tractor parts, manufactured for tractor use.

Q. I imagine those are sold to motor companies?

A. No, sir.

Examiner KEPHART. Those are tractors for excavation work and so on; not tractors for highway transportation.

By Mr. HICKSON:

280 Q. Do you sell any parts to motortruck companies?

A. Do we?

Q. Yes.

A. Only in the case of a claim for damage.

Q. Did you ever have occasion, Mr. Blanning, to ship to off-route points; points out of the main thoroughfare?

A. Yes, sir.

Q. How often does that occur.

A. Well, that is, I would say probably 25 percent or 20 percent of our shipments are to off-route points.

Q. And how far off the main highways do you have to make deliveries?

A. Well, that is a hard question for me to answer. From 50 to—well, I would say from a minimum to—in the United States, probably 65 miles.

Q. About 20 to 25 percent of your traffic is to those off-route points?

A. Yes.

Q. And you wouldn't expect service from a line carrier on scheduled service, on that sort of a shipment would you?

A. (No answer.)

Q. You wouldn't use them at all, would you?

A. Yes; because they would make quicker service to the connecting carrier.

Q. But there are others out of Portland, are there not?

281 A. Very few.

Q. There are some of them?

A. Yes.

Q. And some out of San Francisco who also gave a similar service?

A. Pierce Auto Freight Lines and Pacific Motor Truck Express, that I know of.

Q. Do I understand now, that your present need for this service is between San Francisco and Portland?

A. No; it is between the Pacific northwest points and San Francisco or between Spokane, Portland, and San Francisco, either way. In other words, it is an exchange of parts between those three points or shipments from San Francisco into this territory.

Q. By Pacific Northwest; what do you mean?

A. I mean, Oregon, Washington, British Columbia, and Alaska, taking in that territory.

Q. Now, these parts—could you give us an idea of the weight of these parts—the average weight of the shipments of parts?

A. The average weight of the shipments of parts?

Q. Yes.

A. I would say they average between 500 and 800 pounds.

Q. Five hundred and 800 pounds?

A. Yes; that is our average.

282 Q. Those are not parts that you could throw across the room, then?

A. No; those shipments are not.

Q. You have some of those, do you not; quite a number?

A. Oh, yes. But you were referring only to motor freight shipments, weren't you?

283 Q. You say, your average is about 500 pounds?

A. Between 500 and 800.

Mr. HICKSON. That is all I have.

Cross-examination by Mr. ADAMS:

Q. Mr. Banning, do you know Mr. Cillford of your company?

A. Yes; I do

Q. Is he your superior?

A. He has no connection with me in any way.

Q. He doesn't?

A. No.

Q. Do you know, as a fact, that your company uses the services of Oregon-Nevada-California Fast Freight on shipments between San Francisco and points in northern California and points in Nevada?

A. Yes. However you say between San Francisco and points in Nevada?

Q. Yes.

A. I have no control over Nevada shipments.

Q. But you do know that, as a fact, and from your own knowledge, that your company does use Oregon-Nevada-California Fast Freight to northern California points?

A. Yes.

Q. And to Medford, Oregon?

A. Yes.

284 Q. You are not here complaining about the services of Oregon-Nevada-California Fast Freight, are you?

A. No.

Q. You knew that they had an application which would enable them give through service from San Francisco to Portland didn't you?

A. No; I didn't.

Q. If they had such an application, would you object to it if they were granted authority?

A. No; it would be that much better.

Q. You would like to see them granted authority as well as Consolidated?

A. Absolutely. It would make competition a little keener and consequently better service.

Q. Now, on your service between San Francisco and Spokane, do you know how they move—Do they move via Portland or via Klamath Falls?

A. By Portland; the majority of our shipments.

Q. On this new proposition of the applicant, how have they told you the shipments would move?

A. Through central Oregon into Portland.

Q. You know they have operating rights now which enables them to operate from Spokane to Klamath Falls, don't you?

A. I haven't, no; because I haven't had that service offered to me.

285 Q. Is there any way they can speed up their service from Spokane to San Francisco?

A. I have asked them a good many times; yes.

Q. And they never told you that they could run from Spokane to Klamath Falls and there connect on down?

A. I have never asked them only in connection with a particular shipment, and I don't imagine they would be willing to do that on one single shipment.

Q. Well, isn't the big appeal that they have made to you, in approaching you in reference to testifying here, the tremendous speed of the delivery they were going to give you in the future?

A. It was, yes; they mentioned it to me and my enthusiasm was my own, from then on.

Q. Well, now, let's go on with that a little further. If your testimony and your enthusiasm and all of that has gone on their representation and that as a practical matter they will be able to give you this improvement in movement, is that true?

A. I didn't understand you.

Q. Your enthusiasm was due to the fact of their representation to you that they will be able to give you this tremendous speed in movement?

A. If the application is approved; yes.

Q. Well, as a practical matter—Well, if they were granted authority and were not able to give you this tremendous speedy movement, what would your reaction be?

286 A. Well, I would be disappointed in proportion to the number of hours that we were behind the schedule they have offered or have contemplated here.

Q. If they asked you to come up to bat again as a witness, again in a case like this, you would probably say "No," wouldn't you?

A. No; I would say "Yes" because we would still be interested in seeing the service if they could do it.

Q. In carrying that further, you would be interested in the service of any carrier that could do that?

A. Yes.

Q. As a matter of fact, aren't a lot of your shipments routed out of Oxnard?

A. Yes.

Q. At Oxnard, California, don't you have a plant there?

A. Yes; recently acquired; yes.

Q. And a large amount of shipments move via Oxnard?

A. Less than one-half of one percent of the total shipments of our Portland branch are from the Oxnard works.

Q. Isn't that your own manufacturing plant on the Coast?

A. Yes; but they manufacture specialized machinery only.

Q. Well, that is your complete line of farm machinery, isn't it?

A. Oh, no; that is a very small portion of our line of farm machinery. They only make a few items that we, in this particular territory, can use. Our main factory is in LaCrosse,

287 Wisconsin, in the agricultural machinery.

Q. And you get most of your supplies from the East, as a matter of fact?

A. Yes.

Q. And your service between branches is only emergency service?

A. Yes.

Mr. ADAMS. That is all.

Cross-examination by Mr. HICKSON:

Q. Did you ever use buses for emergency service on small parts?

A. Yes.

Q. Did they give you a satisfactory service?

A. To major points, yes; in other words, on a main highway at a main station, between Portland and Eugene, but to the small stations I hold my breath until I know that it is there.

Mr. HICKSON. That is all.

Redirect examination by Mr. SCHAFER:

Q. Now, in the case of an off-route point, say sixty miles out of Spokane, and an emergency shipment from say San Francisco to that off-route point, would you look up an irregular route carrier at San Francisco to take that or how would you handle it?

A. I would route it by a known carrier, naturally.

Q. From San Francisco to Spokane?

288 A. From San Francisco to the connecting point, whatever that might be.

Q. And there turn it over to an irregular route carrier to run out in the hills with it?

A. Well, will you explain what you mean by "irregular route"?

Q. I mean to a point not served by any termini carrier?

A. That is true.

Q. Say to a mine up in the hills on nobody's route?

A. That is right.

Q. You would use the termini carrier between San Francisco and Spokane in a case like that?

A. Yes.

Q. Now, did you say whether or not your Spokane and Portland houses are called upon by San Francisco for emergency shipments, south-bound?

A. I believe I said that; they are, yes. There is practically between the two, you might say; fifty-fifty. Spokane and Portland call on San Francisco as much, combined, as they call on the two different branches.

Q. Now, on some of this cross-examination, I am a little bit puzzled myself; about what is the volume of your business between

San Francisco and these points in the Northwest—How often do you ship?

A. About once a week.

Q. Once a week?

289 A. Average.

Q. And about how often, south-bound?

A. It would be the same between Portland and Spokane—more often between Portland because it is closer.

Q. Now, is your business in this territory at a standstill or growing, or how is it progressing?

A. It is growing.

Q. You have enjoyed a steady and substantial growth in recent years?

A. In the past several years, very substantial.

Q. I see. Now, you stated in response to cross-examination by Mr. Farrens, that you hadn't used the service to Spokane for several months—did you mean rail service?

A. Yes.

Q. You have used auto freight service more frequently than that?

A. Yes.

Q. Now, this recently inaugurated daily through service of Pierce Auto Freight Lines, will that entirely meet your needs to such points as Yakima, Wenatchee, Spokane, and Seattle?

A. I am not familiar with what the gentleman referred to as being recently inaugurated service.

It won't meet it because Pierce will carry to Portland, as I understand it, and transfer it from here. Naturally, if they

290 can speed up delivery, that is all we are asking for. To that effect, it will meet our requirements, but from there it could not.

Q. Now, are the carriers that you do business with generally warned that your merchandise is rush and not to load in the front end of a delivery rig?

A. Yes; you bet they are.

Q. Are you convinced, as a result of all of this cross-examination, then, that you don't need a twenty-four-hour faster service to Northwest points?

A. You say, am I convinced that I don't need it?

Q. Yes.

A. No; not a particle.

Q. You still think you need it?

A. I know I do.

Chairman TERRIL. Is that all?

Mr. SCHAFER. That is all.

Chairman TERRIL. Is there any further cross-examination? You may step aside, Mr. Banning. Thank you very much.

(Witness excused.)

Mr. SCHAFER. I would like to call Mr. Jory.

ROLAND CLARENCE JORY was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your full name, please?

A. Roland Clarence Jory.

291 Q. And you are the owner of the Jory Packing Company of Salem, Oregon; is that right?

A. That is right.

Q. And does that firm sell its products in California?

A. Part; yes.

Exam. KEPHART. What products does it make?

By Mr. SCHAFER:

Q. What do you pack, or what is the nature of your business?

A. We cold pack beans, corn, strawberries, loganberries, raspberries, Boysenberries. We also can some products.

Q. And you ship a part of your products to California; is that correct?

A. Yes, sir.

Q. To what points in California?

A. San Francisco, Sacramento, Stockton, and Los Angeles.

Q. Do you control the routing of the freight?

A. Partly.

Q. What part do you control?

A. I would say 60%.

Q. Do you influence the routing of the remaining 40%?

A. We have no opportunity to.

Q. That is routed by the consignee?

A. Yes.

Q. Now, is transit time a serious factor in your business as between—I mean in shipping between Salem and California?

292 A. It is, especially on the cold pack. We freeze—if I may take the privilege—in freezing and cold pack, the time in shipping and the way these shipments are carried, mean altogether whether the merchandise arrives in a suitable condition or whether it does not.

Q. Are you familiar with the services presently available to you between San Francisco and Salem?

A. We were, up to a short time ago. I will honestly say that we got so disgusted that we quit.

Exam. KEPHART. What kind of service?

The WITNESS. Truck service.

By Mr. SCHAFER:

Q. Do you know what the rail service is between Salem and San Francisco?

A. In carload lots, we have been all right.

Q. How about l. c. l.?

A. We have never tried that.

Q. Why not?

A. Well, we have never had an opportunity to ship an l. c. l., to my knowledge, down there, south—at least, in ice boxes, or anything like that.

Exam. KEPHART. Are most of your shipments down there in carload quantities?

The WITNESS. No.

Examiner KEPHART. Or truckload quantities?

293 The WITNESS. Yes, sir.

By Mr. SCHAFER:

Q. Now, what is your complaint with respect to the existing services from Salem to San Francisco by truck?

A. Our complaint is that most of the trucks are not properly refrigerated. Also, that they will pick up north and load up north and pass us up when they come down there. Maybe they will take part of our shipments, and leave the balance.

Q. What lines have you had experience with—Have you used the Colletti Fast Freight?

A. No, sir; I don't believe we ever have.

Exam. KEPHART. Which ones do you use, Mr. Jory?

The WITNESS. We have used Mitchel Brothers, Pacific, and Cascade, mostly.

By Mr. SCHAFER:

Q. Have you found their services satisfactory?

A. No; we have not.

Q. What was wrong with them?

A. Well, just as I explained—refrigeration is so limited that the buyer usually objects and turns us back a part of his merchandise and puts in a complaint. We have had a lot of trouble with defrosting.

Q. You mean your product defrosts?

A. Yes, sir.

Q. What temperatures are necessary to keep your products in the proper condition for delivery to the consignees?

294 A. From zero to ten above. In small packages I should say zero. In thirty-pound tins and such as that, it will stand ten above.

Q. Have you had any experiences where the through carrier to whom you offered the shipment took only part of it?

A. We have had several such occasions as that. That makes it awfully bad for us. In fact, we have got several shipments pending right now that we just hesitate to ship, due to the fact that we don't know the condition that it is going to arrive in.

Exam. KEPHART. Well, is there a distinction in the condition of the goods between a few degrees under the freezing points and far under the freezing points?

The WITNESS. No; in cold-pack, small packages should not, I would say, should not get any warmer than 10 above. It can go as cold as it wants below that, that won't hurt, but merely just under freezing is not sufficient to preserve that because your merchandise is put in there at a low temperature, possibly zero or ten below, and then it comes up which will cause usually a sweating to take effect.

Exam. KEPHART. As between the various types of refrigeration, which do you find the most adequate for your needs—I mean truck refrigeration?

The WITNESS. Well——

Exam. KEPHART. Will you describe the kinds?

295 Mr. SCHAFER. As between dry ice or ice barrels or wet ice and mechanical refrigeration, which do you prefer?

The WITNESS. The only thing we have shipped to my knowledge has been dry ice, and the only shipment that I can say we brought through first-class was where we loaded the truck ourselves, blanketed it and bought extra dry ice ourselves to put on top, to send it through. In that way it got through in good shape. Otherwise, when we left it to the truck company, it ended up disastrously.

By Mr. SCHAFER:

Q. Are you acquainted with the refrigeration equipment which Consolidated has installed in its equipment during the past year?

A. No, I am not.

Q. Does it make any difference to you whether your product is hauled with fresh fish?

A. Yes; very much so.

Q. What is your objection to that?

A. The objection is usually with the buyer. We lost some cherries over that reason.

Exam. KEPHART. Has the Consolidated solicited your traffic?

The WITNESS. Just lately; yes, sir.

By Mr. SCHAFER:

Q. Have you used the service of Consolidated in connection with the Oregon-Nevada-California Fast Freight on any of your movements from Salem to San Francisco?

296 A. Not to my knowledge, lately; I don't think we have. I couldn't answer that definitely. We might have.

Q. In the event that your goods thawed out en route, is that a total loss to you?

A. It is, although there is sometimes some salvage.

Q. There is usually some salvage value?

A. Yes.

Q. About what percent is salvage value?

A. Oh, they generally come back and ask for a quarter of a half off. That depends upon the buyer a whole lot and his liberalness.

Q. Is there any carrier between San Francisco and Salem, to your knowledge, which now offers a satisfactory service to you?

A. Not to my knowledge. I had the promise of this one the other day. I hope that it works.

Exam. KEPHART. Which one?

The WITNESS. Consolidated.

By Mr. SCHAFER:

Q. Will it have any bearing upon your sales in the California market, if such a service is available to you along with mechanical refrigeration capable of holding temperatures at zero or ten above?

A. Any assurance of good delivery means a great increase to us.

Q. A great increase of your sales in San Francisco?

297 A. Yes; of our products.

Q. Now, as between a through service by one carrier and a joint service maintained by connecting carriers with rehandling en route, which do you prefer?

A. I would naturally prefer the through route for the reason that in small packages it is more disastrous if you rehandle it. In fact, I wouldn't want to ship if I thought they were going to rehandle it.

Mr. SCHAFER. You may cross-examine.

Chairman TERRIL. Approximately what volume of shipments do you have moving to California points from Salem, Mr. Jory?

The WITNESS. The last few months we have hesitated; before that we had quite a volume, maybe 60 thousand to 70 thousand cases a year.

Chairman TERRIL. Would that move in a truck or trailer load in one shipment?

The WITNESS. Not always; no. That was our big trouble. If we could load them in full loads ourselves and see them out, it would be quite successful.

Chairman TERRIL. Well, did you have full loads available?

The WITNESS. Not always; no. That was our draw-back. We would have buyers come in that would want small quantities

and then we would just simply ship them and usually end up wrong or else have to hold them until we could build up a little.

298 Chairman TERRIL. Is it your understanding that Consolidated can furnish to you a less than truck load service, refrigerated service, or do you know?

The WITNESS. I don't know.

Exam. KEPHART. Is most of this buying experimental or is that customary orders?

The WITNESS. No; that is the customary order; cold-pack.

Chairman TERRIL. Cross-examine.

Mr. SCHAFER. I would like to ask one more question, which was suggested by your question.

By Mr. SCHAFER:

Q. Now, you stated that you used to ship to San Francisco in considerable quantities. Do you mean to indicate that you have since discontinued shipping to San Francisco?

A. Yes, sir. We are very reluctant about shipping anything in less than carload lots to San Francisco.

Q. And your discontinuance was due to disappointing experiences?

A. Yes.

Cross-examination by Mr. CLUMPNER:

Q. When you spoke of Pacific, Mr. Jory, did you mean Pacific Truck Express?

A. We have shipped Pacific Truck Express; yes.

Q. Do you know of the Pacific Refrigerator Motor Lines?

A. The Pacific Aefrigerator Motor Lines?

299 Q. From Seattle.

A. Yes.

Q. Did we handle some business for you?

A. You have handled some; yes.

Q. Was it satisfactory?

A. Not always; no.

Q. Aren't we handling it satisfactorily now?

A. No.

Exam. KEPHART. For what reason—Is the temperature not kept low enough?

The WITNESS. We have seen trucks load out there where there was just not enough ice, that is all. In small packages, unless we can load those out and know that those trucks are down to a temperature of ten or below, we are afraid to ship.

By Mr. CLUMPNER:

Q. If I came to your place tomorrow and said that we were equipping two trailers with mechanical refrigeration that would

keep the temperature down to less than ten degrees, would that be satisfactory?

A. That would make me happy.

Q. Would that be satisfactory?

A. Yes.

Cross-examination by Mr. ELLIS:

Q. As I understand your testimony, you are not particular who performs this service, just so you get the right kind of refrigerated service on your products?

300

A. Yes, sir. That is the whole idea.

Q. And you are not aware of the fact that Consolidated Freightways, in conjunction with the Oregon-Nevada-California Fast Freight, were operating through refrigerated trailers from Portland to San Francisco at the present time?

A. No, sir.

Q. Without transfer?

A. No, sir.

Q. You have never been solicited for that service?

A. No, sir.

Q. This cold-pack process is relatively a new process, is it not?

A. We have been at it about five years or six years; yes, sir.

Q. And up to the present time you have found it more practical to confine your shipments primarily to carload lots?

A. Yes.

Mr. ELLIS. That is all.

Exam. KEPHART. Is there any cross-examination?

Mr. HEDGES. Yes.

Cross-examination by Mr. HEDGES:

Q. Mr. Jory, are your shipments available at Salem or down at your plant at Liberty?

A. Salem; at Terminal Ice & Cold Storage.

301

Q. At Salem?

A. Yes.

Q. You have been in the berry-freezing business, you said, for some four years or five years?

A. Yes, sir.

Q. You are generally familiar with the amount of that tonnage which is shipped out of Salem territory into the San Francisco and Los Angeles area, aren't you?

A. Well, some; yes.

Q. You keep pretty close tab on them, as a matter of fact, don't you, Mr. Jory?

A. Well, we are not always right; no.

Q. Well, the point is that there is a considerable movement of that product out of Terminal Ice and out of Capitol Ice at Salem into San Francisco and Los Angeles at the present time, and has been for sometime, has there not?

A. That is true.

Q. Isn't it a fact that shipments have been made throughout that time very satisfactorily, and the movements are continuing down there at the present time satisfactorily?

A. Not to my knowledge.

Q. Could you give us any idea what percentage of that type of traffic moves out of Salem to San Francisco that you participate in?

A. The percentage that we participate in?

302 Q. Yes; of the total amount that moves out of Salem to San Francisco?

A. I would say, here at one time several years ago, that we participated in 25% of it.

Q. What would it be today?

A. Oh, 5%.

Q. And did I understand you correctly, in answer to questions just a moment ago, that if the existing carriers who offered through service from Salem to California points, that you ship to, can assure you that they can handle your product satisfactorily insofar as temperature is concerned, if that would suit your requirements and needs?

A. Yes, sir; it would.

Q. Did I understand you correctly also, that you had never been advised of a through trailer movement by Consolidated and Oregon-Nevada-California Fast Freight to San Francisco?

A. Not to my knowledge.

Mr. HEDGES. That is all.

Cross-examination by Mr. FARRENS:

Q. Have representatives of Consolidated Freightways told you that their refrigerated units do not handle fish?

A. No.

Mr. FARRENS. That is all.

303 Cross-examination by Mr. ADAMS:

Q. Mr. Jory, I understood you to say that your first contact with the applicant, Consolidated, was just recently when they solicited you; is that right?

A. No; that is not it. My meaning was that Consolidated had never come to me to try to explain to me, and show me the benefit of their service.

Q. Have you ever used their service?

A. I think we have some; but very little.

Q. To San Francisco, I mean?

A. No; not to my knowledge.

Q. You are not familiar with the services of Oregon-Nevada-California Fast Freight, either?

A. No.

Q. Is the type of equipment you are looking for thermostatically controlled refrigerated equipment?

A. I am not interested in that alone.

Q. Well, that is mechanical refrigeration, controlled by a thermostat?

A. That has, I think, better possibilities; yes.

Q. And you would be interested in service accorded by a company that had equipment of that nature?

A. Yes; I would. I think that would be better.

Q. Did you know the Oregon-Nevada-California Fast Freight had an application pending which would enable them to give
304 you service on your shipments from Salem to the points in California that you mentioned?

A. I did not.

Q. No one told you that?

A. No, sir.

Q. If they happened to have such an application, would you support it the same as you support this?

A. Yes, sir. I will support anything that will hold the temperature down.

Q. As far as your shipments are concerned, it isn't a question of speed so much—it is a question of refrigeration; isn't that true?

A. Certainly. If we can hold that refrigeration down, a few hours, or half a day, does not make so much difference; but we must be sure that the temperature is down.

Chairman TERRIL. Mr. Berol.

Mr. BEROL. I have no questions.

Mr. SCHAFER. I have no redirect.

Chairman TERRIL. There is nothing more of this witness?

Mr. SCHAFER. I have nothing more.

Chairman TERRIL. Thank you, Mr. Jory. You may be excused.

(Witness excused.)

Chairman TERRIL. We will take a short recess.

(Recess.)

Chairman TERRIL. Come to order, gentlemen.

305 Mr. SCHAFER. I will call Mr. Halford.

GEORGE A. HALFORD was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Give your full name for the record.

A. George A. Halford [spelling].

Q. And you are the manager of Sprouse Reitz?
A. Yes, sir.
Q. What is the nature of your business?
A. It is a variety store.
Q. A variety store?
A. Yes.
Q. Do you get merchandise from California points?
A. Yes, sir.
Q. Does any substantial portion of your stock come from California?
A. 50%, I would say.
Q. Are you acquainted with the present transportation services available to you at Pendleton?
A. I am.
Q. What rail service do you enjoy from San Francisco to Pendleton?
A. Southern Pacific and Union Pacific.
Q. And what is the transit time?
A. Four days to five days.
306 Q. What are the truck services from San Francisco to Pendleton at the present time?
A. Third morning to fourth morning.
Q. Do you have any one line that gives you a through service from the Bay area to Pendleton?
A. We do not.
Q. Do you know how many times a shipment from San Francisco to Pendleton is tranferred en route?
A. At least once, and sometimes twice; some routes.
Q. How long have you been with Sprouse Reitz?
A. Approximately a year and a half.
Q. And where were you before that?
A. In the variety store business.
Q. About how long have you been in the variety store business?
A. About four and one-half years.
Q. Now, from your experience in that business, have you formed, any preference one way or the other as between a through service without transfer and a through service of connecting carriers?
A. I much prefer a through service.
Q. Why?
A. It eliminates damage to shipments and loss in shipments, and delay in getting it through.
Q. What has been the nature of the damage, if any, that you have suffered as a result of that?
307 A. Breakage—very small; too small really to make a claim on for damage; and the Bay area, it would be toilet goods, which is all glass; peanut brittle, for instance, packed in

cartons in slabs, the more it is handled, the more it is broken. When you unpack one of those cases, you find it is full of chips that have been broken off. The slabs are all broken.

308 Mr. ADAMS. Pardon me. Could the witness speak just a little louder, please?

The WITNESS. Yes, sir.

Mr. ADAMS. Thank you.

By Mr. SCHAFER:

Q. Have you had any experience in receiving part of your shipment on the one day and the balance coming through at a later date?

A. Yes, sir.

Q. And what, generally, is the cause for that, if you know?

A. Well, where I have found that—where it has occurred is in transferring from one carrier to another.

Q. And how long does it take for the rest of your shipment to catch up?

A. One to ten days and possibly a month.

Q. And do you have experiences like that very often?

A. Yes.

Q. What is the result, insofar as your damage or inconvenience is concerned, when this happens?

A. Well, it causes me delay in having my merchandise on my shelves and without it there, I can't sell it. That is the main one.

Q. Now, are you aware of the service which Consolidated Freightways is proposing?

A. I am. And what is it your understanding that that will be?

309 A. Second-morning delivery from San Francisco.

Chairman TERRIL. Will you please speak up just a little louder, if you will, Mr. Halford? I can hear you, but I don't know if the others can.

The WITNESS. Second-morning delivery from the Bay area.

By Mr. SCHAFER:

Q. Can you tell us just what second morning, as compared to your present third-morning deliveries by truck, means to you?

A. It means just one more day more sales.

Q. What do you mean by more sales?

A. Every time I sell a piece of merchandise, I call that a sale.

Q. And what percentage of your sales are represented by candy?

A. Approximately 10%—10% to 12%.

Q. And where do you get most of your candy?

A. From the Bay area.

Exam. KEPHART. You mean the San Francisco Bay area?

The WITNESS. San Francisco; yes.

Mr. HICKSON. If the Court please, I am only getting about 10% of the testimony. I can't hear the witness.

By Mr. SCHAFER:

Q. Now, have you anything to say generally with respect to your need for a service of this type—will you use such a service if it is available to you?

A. I will.

Q. And have you used Consolidated Freightways in the past?

A. I have.

310 Q. Between other points?

A. Yes, sir.

Q. Have you found that service satisfactory and dependable?

A. I have.

Mr. SCHAFER. That is all I have on direct examination.

By Chairman TERRIL:

Q. Mr. Halford, in volume, how much would your shipments amount to in moving from the Bay area into Pendleton?

A. In a month's time, it would amount to—do you mean in gross weight?

Q. Yes; if you can give it to me.

A. I would judge 600 pounds or 700 pounds.

Q. How much would each shipment average?

A. Approximately 150 pounds.

By Exam. KEPHART:

Q. Would that average extend throughout the year?

A. Yes, sir.

Q. Or would it be greater in some parts of the year than in other parts?

A. It would be about the same.

By Chairman TERRIL:

Q. These shipments, at the present time, what precentage is being handled by truck?

A. I would say about 90%.

Q. The time element and the damage from handling are
311 the things that lead you to favor a one company movement and the expedited service that is proposed by Consolidated in this manner?

A. That is correct.

Chairman TERRIL. Cross-examination.

Cross-examination by Mr. ELLIS:

Q. As I understand you, your shipments from San Francisco, at the present time—some of them—are handled twice before they arrive at their destination?

A. That is correct.

Q. That handling, I take it, is at Medford and at Portland?

A. Yes, sir.

Q. How many handlings do you understand will be eliminated by the proposed service, if any?

A. One of those, anyway.

Q. And that is the Medford?

A. That is correct.

Q. Were you aware of the fact that the Consolidated Freightways is now operating through trailer service from Portland to San Francisco through their connection with the Oregon-Nevada-California Freight Lines?

A. No.

Q. And if such a service is available and if they move your freight in that through trailer, you really only are experiencing one transfer, and that is at Portland, at the present time?

A. Well, what if it was loaded on the truck?

312 Q. Well, do you know whether it is loaded on the truck or on the trailer?

A. I do not.

Q. Have you had occasion to make any investigation to find out whether they are moving your products in the service which does not require transfer?

A. No.

Q. Well, why haven't you?

A. Why haven't I?

Q. Yes.

A. I didn't think there was anything I could do about it.

Q. Well, as a matter of fact, you didn't think it was very important, did you, or you would have investigated it?

A. If I didn't think it was important, I wouldn't be here now.

Q. But you didn't know that they were operating through service through the interchange of trailers, at the present time, and have been for the past year or more?

A. I did not.

Q. Were you aware of the fact that Pierce Auto Freight Lines have been operating through service between Portland and San Francisco over a considerable period of time without transfer at Medford?

A. From San Francisco where?
Q. To Portland.
A. I was not.
313 Q. Now, from other points do you receive freight?
A. From what other points?
Q. Yes.
A. Are particularly interested in——
Q. (Interposing.) Freight of any kind.
A. The Coast? I receive freight from all over the United States.
Q. From what particular principal points of shipment?
A. Sapulpa, Oklahoma, and Minneapolis.
Q. Do your Oklahoma shipments reach their destination without transfer and over the lines of a single carrier?
A. Shipped by pool car.
Q. And your pool cars are transferred or handled several times in transit?
A. That, I am not acquainted with.
Q. How do your Minneapolis shipments move over the line of a single carrier without rehandling?
A. They do not.
Q. Do any of your shipments move direct from your point of origin to your store at Pendleton without passing over the lines of more than one carrier?
A. Yes; my shipments from Portland do.
Q. And if you did all of your buying from Portland distributors, you could avoid all of this difficulty?
A. That is correct; but that is impossible for me to do.
314 Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Halford, do you buy in Seattle?
A. Some.
Q. Do you buy candy in Seattle?
A. Occasionally; our authority, at the present time, is cancelled on orders from our Seattle candy houses.
Q. How about Tacoma?
A. There too.
Q. You are not receiving any candy shipments, for instance, from either Seattle or Tacoma at the present time?
A. No.
Q. Have you, recently?
A. Not for quite some time; no.
Q. Since you have been in Pendleton?
A. Yes. I have. Last year—the first part of the year.

Q. And how did those shipments move from Seattle and Tacoma to Pendleton?

A. By truck.

Q. What line?

A. P. H. T. via Portland-Pendleton and Consolidated—straight through to Yakima.

Q. Was the last part of that answer also by Consolidated, you say?

A. Yes, sir.

315 Mr. HEDGES. Would you read the answer, please?

(The answer referred to was read.)

By Mr. HEDGES:

Q. By that, you meant it came through Yakima by Consolidated?

A. By Consolidated, it came through Yakima. By P. H. T., it came through Portland.

Q. And when it is handled by Consolidated, is it handled all the way by Consolidated without the connecting carrier?

A. (No answer.)

Exam. KEPHART. What does P. H. T. stand for?

The REPORTER. P. H. T. stands for the Pacific Highway Transport.

By Mr. HEDGES:

Q. Do you know how many times, if any, the freight was physically rehandled by Consolidated service from either Seattle or Tacoma into Pendleton?

A. That I do not; no.

Q. Do you know whether it was handled at all en route.

A. No, sir.

Q. Do you know whether any of it came through Portland?

A. By Consolidated—to my knowledge it all came down from Yakima.

Q. You don't know which way it came, as a matter of fact, do you, Mr. Halford?

A. If I routed it Consolidated, and it came by Consolidated, I would feel quite sure that it came through Yakima.

316 Q. What is your experience on damaged claims where it came all the way through by Consolidated, as against the connecting carrier service through Portland?

A. When one carrier handles it, I find that my claims are always paid more promptly.

Q. Well, now, let's see—has Consolidated handled any of your shipments on which there was damage or loss; where there was

connecting service or where they were the connecting carrier to Pendleton?

A. Where Consolidated was delivering it, do you mean?

Q. Yes.

A. Yes; they have.

Q. And did you do business, insofar as your claim was concerned, with anybody but Consolidated Freight Lines?

A. I did not.

Mr. HEDGES. I think that is all.

Chairman TERRIL. Mr. Farrens.

Cross-examination by Mr. FARRENS:

Q. When a shipment moved from San Francisco via Consolidated Freight Lines and Oregon-Nevada-California with an interchange at Medford, is there also a change from one piece of equipment to another at Portland?

A. That I can't say exactly. I have understood that at times there are.

Q. Were you aware of the fact that there is also an interchange between Consolidated and Oregon-Nevada-California Fast Freight at Klamath Falls?

317

A. I am not.

Q. Did you know that in connection with that interchange, Consolidated operates the line on Highway 97 through to Biggs and thence eastward to Pendleton?

A. I am not.

Q. Such an operation would avoid transshipment at Portland, wouldn't it?

A. It would avoid that; yes.

Mr. FARRENS. That is all.

Mr. HICKSON. I have no questions.

Chairman TERR'L. Mr. Adams.

Mr. ADAMS. Yes.

Cross-examination by Mr. ADAMS:

Q. Are you familiar at all with the services of the Oregon-Nevada-California Fast Freight?

A. Only from what experience I have had with them through Consolidated.

Q. You are not here complaining about their services, are you?

A. I am not.

Q. Did you know that they had an application pending whereby they could give through service from Portland to San Francisco?

A. What was the name of the company?

Q. Oregon-Nevada-California Fast Freight.

318

A. No: I did not know that.

Q. I take it that you use the Pendleton-Portland line between Pendleton and Portland?

A. Occasionally.

Q. If the Pendleton-Portland lines brought your shipment to Portland and the Oregon-Nevada-California Fast Freight has the rights to operate from Portland to San Francisco, there would only be one interchange, wouldn't there?

A. That is correct, I presume.

Q. All you are looking for is service; isn't that it?

A. Through service.

Q. Well, as I understood your testimony, you know that there will be at least one interchange if the application of the applicant is granted—you know that, don't you?

A. One change; yes; I believe that is correct.

Q. All right. So it isn't possible, even with the service they promise you for you to get through service, is it?

A. I didn't say that that was a change from one truck to another. It could be a change of trailer.

Q. How did they tell you that they were going to operate from Pendleton to San Francisco?

A. Through Arlington to Biggs Junction to Klamath Falls and to San Francisco.

Q. Did they represent to you that that would be one truck from Pendleton to San Francisco or vice versa in the opposite
319 direction?

A. It would have to be changed at Arlington; the trailer.

Q. So you agree with me, then, that there would be one interchange?

A. All on the same line; yes.

Q. Yes. So that if the Oregon-Nevada-California Fast Freight was granted their application, and they interchanged at Portland with the Portland-Pendleton Lines, you would likewise have one interchange?

A. From one carrier to another; yes.

Q. Well, it would be a change from one truck to another truck, wouldn't it?

A. Yes; and also from one carrier to another carrier.

Q. Now, with that circumstance in mind, would you have any objection to the application of the Oregon-Nevada-California Fast Freight?

A. No; I have no objection.

Q. And you would support their application likewise?

A. Not as thoroughly as I would support an application that would give me the same thing on the one line.

Q. Well, with that one difference, you would support the application?

A. Yes, sir.

A. Now, let's get to the bottom of why you want only one line to handle it from origin to destination; why is that?

320 A. Why?

Q. Yes.

A. Because, as I stated before, that my claims were paid immediately without any difficulties or any——

Q. (Interposing.) Are you familiar with the law on loss and damage claims at all?

A. Well, maybe not thoroughly, but I understand a little of it, maybe.

Q. You file your claims with the delivering carrier, don't you?

A. I do.

Q. Do you anticipate that you would have any difficulty?

A. No.

Q. So that there would be no objection?

A. No.

Q. On your movements, Mr. Halford, would you feel better off if you had a competitive situation of two or more carriers so that you could make a choice of service?

A. Competition is the spice of life.

Q. Well, you would feel better off, wouldn't you?

A. Absolutely.

Q. Now, you have no complaint on the interchange service of Pacific Highway Transport that Pendleton-Portland accords you between Seattle and Pendleton, do you?

A. That part of my merchandise that comes from there is very small—very small.

321 Q. Well, on the shipments which you have had, you have had no complaint on that service, have you?

A. It is a different type of merchandise in some instances.

Q. I understood you to say that you had some canned goods.

A. Very little; and our list at this time is considered cancelled.

Q. Well, when you have bought candy, have you had any difficulty with P. H. T. from Pendleton to Portland?

A. Yes, sir.

Q. What was the difficulty?

A. The same as it is coming from San Francisco to Pendleton.

Q. What is that?

A. Breakage and heat.

Q. What does that breakage result from, do you know?

A. Breakage from handling.

Chairman TERRIL. Just what has this Seattle service to do with this application?

Mr. ADAMS. Well, only by analogy, that is all.

By Mr. ADAMS:

Q. How many claims have you filed during the last year on that Seattle movement?

A. I don't keep track of it.

Q. Have you had any?

A. I haven't had any shipments in the last year.

Q. How many shipments have you had from San Francisco to Pendleton in the last year?

322 A. I don't know; I couldn't state.

Q. Have you filed any?

A. Yes, sir.

Q. How long ago?

A. Possibly two weeks.

Q. Two weeks ago?

A. Yes.

Q. Do you know what was the cause of that?

A. Breakage.

Q. I mean, where the breakage occurred?

A. No; I don't know exactly where it occurred. I wasn't there.

Q. You don't know whether it occurred in Pendleton or Portland or Medford, do you?

A. No.

Q. Or San Francisco or Pendleton?

A. I wasn't there. It didn't occur in Pendleton, where they unloaded.

Q. In conjunction with any truck movements, you are apt to have breakage, aren't you?

A. Whenever glass is handled, it is apt to break; yes.

Q. Certainly; now, in reference to a question asked you by Mr. Farrens, did Consolidated ever offer you the service from Pendleton via Biggs to Klamath Falls and from there on into San Francisco via Oregon-Nevada-California Fast Freight?

A. No.

Q. They never told you that that service could be used?

323 A. No; not to my knowledge.

Q. That is precisely the movement that they have offered you recently, isn't it?

A. On their own line; yes.

Q. Yes. How long ago was it that they offered you this service on their own line?

A. Oh, this has been talked about—Gosh, I can't say exactly—a couple of months, probably, or a month.

Q. Now, you are testifying here on the basis of—in part, at least—that they represented to you that they were going to give second-morning delivery from San Francisco to Pendleton; is that so?

A. That is correct.

Q. And as a practical matter, if that proves to be impractical, you wouldn't come the next time and testify in support of the application on that basis, would you?

A. What is that?

Exam. KEPHART. Let the reporter read the question.

(The last question was read.)

The WITNESS. If it proves to be impractical. Well, it appears to be practical.

By Mr. ADAMS:

Q. You say it appears to be practical?

A. Yes.

Q. All right. What experience have you had in motor carrier operations, yourself?

324 Chairman TERRIL. Do you gentlemen want to stay here all night?

Mr. SCHAFER. I am going to object to any questions along that line.

Mr. ADAMS. He states that it appears to be practical, and I want to find out on what that statement is based.

The WITNESS. Do you mean that it isn't possible for them to make a second-morning delivery there?

Mr. ADAMS. You stated that it looked to be practical, and I want you to state why it is practical.

The WITNESS. I don't get your point; what you are trying to get at.

By Mr. ADAMS:

Q. Do you know what the distance is between Pendleton and San Francisco?

A. Not in actual miles—I do, approximately; yes.

Q. Do you know how fast trucks travel?

A. No; but I know how fast I travel.

Q. Do you know how many stops will be made en route?

Mr. SCHAFER. If the Board please, I want to raise my former objection.

Mr. ADAMS. That is all. He has answered my questions.

Chairman TERRIL. Is there any further cross-examination?

Mr. BEROL. I want to ask the witness some questions.

Cross-examination by Mr. BEROL:

Q. Now, in respect to these shipments—have
325 you seen the Consolidated make deliveries to your place of business in Pendleton?

A. I have.

Q. Did they make them by line-haul truck or by local pick-up and delivery trucks?

A. They make them by local pick-up and delivery trucks.

Q. Can you tell me whether that shipment you mentioned was damaged in moving it from the line-haul equipment in Pendleton or whether it was damaged en route on the line-haul truck?

A. That I don't know; but more speed would be required to change it from one truck to another en route than from the road trucks to their delivery trucks in town.

Q. As far as you know, that damage might have been caused right in Pendleton by Consolidated?

A. It is quite possible.

Mr. BEROL. That is all.

Redirect examination by Mr. SCHAFER:

Q. As between a through line and joint lines, which do you find makes the quickest time?

A. Through lines.

Q. And does the same apply on tracing shipments?

A. That is correct.

Mr. SCHAFER. That is all I have on this witness.

Chairman TERRIL. Thank you very much.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Bottmiller, whom I think can adopt most of the testimony of this witness.

326 ROBERT O. BOTTMILLER was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your full name?

A. Robert O. Bottmiller [spelling].

Q. You are also employed by Kress?

A. Yes, sir.

Q. In what capacity?

A. Manager at La Grande, Oregon.

Q. Are your problems at La Grande quite similar to the last witness who testified?

A. Quite similar; yes, sir.

Q. And if you were asked the same questions on direct examination and cross-examination, would your answers be substantially similar?

A. They would be quite similar; yes.

Q. Now, what other stores do you have in the territory in the northwest?

A. Well, there is approximately 20 stores, I would say, in the northwest.

Q. And are you authorized by your superiors to here express the same needs for those 20 stores?

A. Yes; Mr. Noble, our district manager, told me that I could go ahead and say that the same thing existed in all of our stores in this district.

327 Q. Do you know how many sources of merchandise you have in California?

A. I know practically exactly. There are 106 firms that we ship out of in the Bay area in California.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. What is the approximate average monthly shipments to your store in La Grande from the San Francisco bay area?

A. I would say we receive from—around San Francisco, not less than four or five shipments a week.

Q. And what would that total in pounds?

A. Our average freight shipment never runs less than 100 pounds.

Q. And you would say 400 or 500 pounds a week from San Francisco?

A. Well, that might be putting it just a little bit heavy.

You must consider that some of our shipments aren't great.

Q. What proportion is that of your total in-bound freight to the La Grande store?

A. You mean the whole total freight that we receive during the year?

Q. Yes.

A. Well, I would say that, in my store I receive about 50 percent of my freight from California.

Q. Then the total freight receipts at your store are roughly 1,000 pounds a week, from all sources?

328 A. No; I doubt if it would come that heavy.

Mr. ELLIS. That is all.

Chairman TERRIL. Is there any further cross-examination of this witness?

Cross-examination by Mr. HEDGES:

Q. Mr. Bottmiller, you were speaking for, you say, approximately 20 stores in your company; did I understand you correctly?

A. Yes.

Q. Would you just give us a general idea of the territory in which those stores are located?

A. Well, we now have two stores in Spokane.

Q. You can just bound the area, as far as I am concerned. I just want to know generally.

A. Well, from northern California to Spokane.

Q. How long have you been engaged in this business?

A. In this company?

Q. You, yourself.

A. Well, I have been in the business about six years.

Q. Is it a common practice of shippers of the type of merchandise which you receive, to pack those shipments so as to take care of breakage?

A. No, sir.

Q. Has it ever been, in your experience?

A. Very seldom—on certain items only.

329 Q. Well, what percentage of the shipments you receive is the commodity of such a nature that that is a common practice?

A. Just only on seasonable merchandise—Christmas tree ornaments, namely.

Mr. HEDGES. That is all.

Cross-examination by Mr. FARRENS:

Q. What representation did Consolidated Freightways make to you concerning their application?

A. Two-day service out of Frisco.

Q. Was that all they said?

A. That was the main thing.

Q. What else did they suggest to you in support of the application?

A. They suggested faster service which would be two-day service, and less handling. That was what I was mostly interested in.

Q. Was that representation made to you individually or was it made by an intermediate shipper?

A. No; it was made independently.

Q. Do you know whether Consolidated ever held intermediate shipments at LaGrande?

A. I never heard of one.

Q. Did you know that Consolidated was at present operating through Klamath Falls and from LaGrande in conjunction with Oregon-Nevada-California Fast Freight?

Chairman TERRIL. Mr. Farrens, do you think anything

330 else can be obtained from this witness?

The WITNESS. I haven't got what you mean.

(The last question was read.)

The WITNESS. I did not know they were going that route, but I knew they were connecting with Oregon-California Fast Freight.

By Mr. FARRENS:

Q. That is precisely the reason they are now suggesting their through service, isn't it?

A. Well, that is the one they are going to cut out if they get the through service—that is the one that will be cut out is the Oregon-Nevada-California Fast Freight, isn't it?

Q. I am talking about that route through Biggs and Klamath Falls.

A. That route was never discussed with me, which way they would come.

Q. They didn't tell you that they would come up through Klamath Falls?

A. No.

Q. And you didn't know which route they were going to make?

A. No, sir. Seeing as they told me that it would be two-day service I took their word.

Q. That is what you are interested in?

A. Speed is what I am interested in.

Mr. FARRENS. That is all.

Mr. SCHAFER. Are you agreeable to the adoption by this
331 witness of the same answers which were made by the last witness to the same questions.

Mr. ADAMS. That was my understanding.

Cross-examination by Mr. BEROL:

Q. How far is Ontario from LaGrande?

A. I would say around 175 miles. I don't know exactly.

Q. Is it that far?

A. I couldn't say for sure. I have never been to Ontario in my life.

Q. Do you know that Consolidated is running a through service from San Francisco to Ontario via Wells and Boise?

A. No, sir.

Q. They did not inform you of that?

A. Pardon?

Q. They did not inform you of that?

A. No, sir.

Q. Now, suppose they do have such a service to Ontario, and could continue that service to LaGrande, would that suit you just as well?

Mr. SCHAFER. If the Board please, Consolidated Freightways is precluded from serving out of San Francisco west from Ontario. Division 5 has mentioned that specifically.

Mr. BEROL. If that is true, then I will withdraw the question.

332 Mr. SCHAFER. That is all.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Johns.

Chair. TERRILL. Will this be a long witness or a short one?

Mr. SCHAFER. I think it will be a short one.

R. M. JOHNS was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is R. M. Johns?

A. R. M. Johns (spelling).

Q. And you are in charge of the Lakeview Creamery?

A. That is right.

Q. Describe the operations of the Lakeview Creamery?

A. We are engaged in general creamery operations—well, we job fountain supplies, soda water and beer. We are agents for DoLaval.

Q. Separators and milking machines, did you say?

A. Yes.

Q. Where do you purchase the bulk of your supplies?

A. We purchase approximately 90 per cent of our supplies from the bay area, San Francisco.

Q. About what is the volume of your freight?

A. It has been running around 60 tons per month.

333 Q. That is from California, from San Francisco?

A. That is right.

Q. About what is the average freight revenue on that—what freight bills do you pay, in amount I mean?

A. Approximately $800 a month. One month last year we paid $1,800 in freight.

Q. Are you acquainted with the present transportation facilities available to you at Lakeview?

A I am.

Q. And what, for instance, is the rail service from San Francisco to Lakeview?

A. You mean time?

Q. Yes.

A. It runs from three days to six days.

Q. And truck service is available to you between San Francisco and Lakeview?

A. Yes.

Q. What time do you receive on those?

A. It is generally second day.

Q. And are you acquainted with the service which Consolidated Freightways is here proposing?

A. I am.

Q. And what is your understanding of that service?

A. Well, my understanding is that full loads—I presume 20,000 or 30,000 pounds can be shipped direct to Lakeview by

334 way of Altures, which should give me a next day delivery in Lakeview.

Q. Before noon?

A. Before noon; yes.

Q. Now, do you get beer from California?

A. We buy all of our beer, now, from California.

Q. And how do you ship that now?

A. We recently shipped a car by rail, but the first of May we were forced to put on our own truck in order to meet competition. We couldn't get adequate service.

Exam. KEPHART. Did you haul that through Redding and Altures?

The WITNESS. Yes.

By Mr. SCHAFER:

Q. Now, what have you to say generally as to the adequacy of the existing service from San Francisco to Lakeview?

A. Well, it is inadequate for our needs.

Exam. KEPHART. How is it moved today—how is such traffic moved today?

The WITNESS. How?

Exam. KEPHART. Yes; by what route?

The WITNESS. By Southern Pacific.

Exam. KEPHART. Oh, freight by railroad?

The WITNESS. Southern Pacific, or if we ship by way of Klamath Falls, it penalizes us to the extent that we have to
335 pay additional freight above our rail rate.

By Mr. SCHAFER:

Q. Does the slowness of the service from *from* source in California have any effect upon the amount of stock which you must carry in Lakeview?

A. It is necessary for us to carry considerable more stock than it would be if we could get a faster, more direct service. In other words, in your beer lines, you carry several different brands and it is rather hard for you to judge just how the sales are going to come out and you can't regulate it very closely; consequently, you have to stock heavier and it is just a sort of a cold-blooded business proposition. You have got to—if you invest $5,000 in beer and turn it over 12 times a year, that is 120 per cent on your business, but if you can invest half of that amount in beer and turn it over the same number of times or a little oftener, or once and a half as much, your percentage on your investment is greater.

Q. Now, is the Lakeview Creamery limited as to capital at all—what resources has the Lakeview Creamery?

A. The Lakeview Creamery, at the present time, is operating in receivership.

Q. Are you the receiver?

A. I am the duly qualified and appointed receiver.

Q. I see. Now, what if you do run out of beer, due to a delayed arrival of a car from California—how do you fix that?

336 A. Well, the only alternative that I have is to ship a 2,000 to 5,000-pound shipment by S. P. baggage to Klamath Falls, at a 55 cents rate, and Klamath Falls to Lakeview by a 25-cent rate, and that arrives in Lakeview the next afternoon; providing they make connections properly.

Q. On these shipments from California by rail, what time of the day do you get delivery?

A. By rail?

Q. Yes, sir.

A. It is late in the evening. I think this train goes down to Altures in the morning and comes back in the evening and generally before they get the car spotted, it is around 6 o'clock or seven o'clock in the evening.

Q. Is that inconvenient to you?

A. It is, particularly if we need the beer, because it is rather hard—we employ the local transfer company to haul the beer from the railroad to the warehouse, and it inconveniences us to the extent that their men quit at five o'clock, and we are unable to get the car unloaded until the next day.

Q. Now, does the time in transit have any effect upon the quality of the beer?

A. In the case of draft beer, it does; although the iced cars, when you ship draft beer from Frisco, the car is generally 80 degrees or above when it gets to Lakeview; and if it has been

337 in transit for four or five days, sometimes the quality of the beer is definitely affected.

Q. And how does that affect your business?

A. Well, it resulted in our losing one of our best accounts, last year.

Q. Did I understand you to say that you have had to put on your own trucks to remedy this situation?

A. Yes.

Q. Now, if you had an overnight service, such as Consolidated is here proposing, would you continue to operate your own trucks?

A. I would be very happy to displace it and discontinue operation on it.

Q. Does delay in transportation have any effect upon any of the other items which you sell besides beer?

A. Yes, they do; it is rather hard for us to get a next day delivery in Lakeview. I recently lost a milking machine sale to Mr. Harris at Summer Lake because I couldn't deliver in time to meet him. He purchased it from the other dealer out of Bend, who happened to have one in stock.

Q. How much does that mean to you?
A. Well, the commission on that—the net to us would have been $65.00.
Q. Are you quite certain that otherwise you would have sold it?
A. Oh, certainly; because he bought the same brand of machine in Bend. I sold him so well that he went up there and
338 bought the same brand of machine.
Q. How long ago was that?
A. That has been about two months ago.
Q. Have you ever used the services of Consolidated Freightways?
A. I have; between Klamath Falls and Lakeview.
Q. And you found them satisfactory?
A. I have found them to be very satisfactory.
Q. And dependable?
A. Yes.
Mr. SCHAFER. That is all I have.

By Chairman TERRIL:

Q. Mr. Johns, how much of your volume which moves from the Bay area to Lakeview is susceptible to truck load lot shipments?
A. All of our beer, which would amount to, in dollars, sales a year, would exceed $60,000.
Q. If I understand correctly, the Consolidated proposition is to use this highway from Redding by way of Altures and into Lakeview for full truck load lot shipments, and for shuttling of equipment only, and that is the reason for that question?
A. Yes. It would also possibly enable us to return our empties—possibly in that way. With rail service, if we would return them in carload lots, we haven't storage facilities to store a full carload.
Q. Of what you say is 60 ton per month, how much of that is beer?
339 A. Well, this year, if business continues as well it has been—those are last year's figures.
Q. Yes.
A. (Continuing.) But if business continues as well as it has been, of course, our tonnage will exceed that this year.
Q. I am not particularly concerned with the amount of tonnage but what percentage each month is the movement of beer?
A. 95 percent.

Cross-examination by Mr. ELLIS:

Q. Do you have truck facilities available now by which you can transport beer from San Francisco to Lakeview?

A. We have truck facilities that are available. We can ship Oregon-Nevada-California Fast Freight to Klamath Falls and from Klamath Falls by Consolidated to Lakeview.

Q. Have you been utilizing that service in the past?

A. It has been impossible to utilize that service because of the fact that the rate is too high by shipping that way.

Q. Your difficulty is in a large part a rate difficulty?

A. Well, not particularly; rate affects it in the matter of competition because we have to keep our heads above water. We have four other distributors operating in that territory.

Q. And you have been promised, I take it, a lower rate via the Consolidated route?

A. No; we haven't been promised a lower rate at all. In
340 fact, I don't anticipate a lower rate.

Q. You don't think you will get a lower rate than the present time?

A. Definitely not.

Q. And it wouldn't correct that rate situation you were talking about?

A. Well, if their rate was competitive with the Southern Pacific rate on direct shipments, it would be a very satisfactory service.

Q. And the part of your difficulty in connection with the use of rail facilities through Klamath Falls or the baggage service you spoke of, is also a rate difficulty?

A. That rate is prohibitive. It runs the cost of our beer too high.

Q. Now, you say you recently lost a customer. I suppose that was a beer customer, was it?

A. That is right.

Q. You lost it to a competitor, I take it?

A. That is right.

Q. How did your competitor move his product?

A. They haul it in their own trucks from Klamath Falls. The rate to Klamath Falls is 44 cents in car load lots and our rate into Lakeview is 52 cents plus 5 cents for drayage, which is 57 cents to our warehouse. They feel they can truck that in there
341 for the difference of some 13 cents and serve the immediate territory at the same time.

Q. And you have adopted the same practice on your shipments—of operating your own truck—recently?

A. Yes.

By Examiner KEPHART:

Q. Or did you say you do haul it all the way by your own truck from San Francisco?

A. Yes.

Q. Not from Klamath Falls?
A. Not from Klamath Falls.

By Mr. ELLIS:

Q. Your competitor hauls from Klamath Falls?
A. Yes.
Q. Now, on this milking machine sale, I take it you lost that sale because your Bend dealer carried a machine in stock and you did not?
A. I had a machine in stock, but he wanted a particular make—one that isn't stocked regularly by any dealers, but it so happened that the Bend dealer had repossessed one that he had had out about two months and had it in stock.
Q. The truck load lot service which the Consolidated has proposed wouldn't have helped particularly on that shipment?
A. Not in a case of that kind; no.
Mr. ELLIS. That is all.
Chairman TERRIL. Is there any further cross-examination?

342 Mr. HEDGES. Yes.

By Mr. HEDGES:

Q. Mr. Johns, did I understand you correctly on direct examination to say that the time in transit at present by truck from San Francisco to Lakeview was second-morning delivery?
A. That is right—it would be late afternoon if they make connections; otherwise, it is second morning.
Q. Ordinarily, would it be second morning delivery?
A. Unless I went to the expense of calling Klamath Falls to tell them to be sure and make a shipment. Sometimes, if it so happened that they were so inclined, they might make direct connections. Otherwise, if I wasn't informed that the shipment was arriving, they possibly wouldn't connect with it.
Q. What is the best service you have ever had from San Francisco to Lakeview by truck?
A. Well, that is a difficult question—to say what the best service would be.
Q. Well, would it be first morning, first afternoon, or second morning?
A. The best service that I have ever had would be late afternoon or evening.
Q. Of the second day?
A. Of the second day; yes.
Exam. KEPHART. Is that about the time that it takes for you to drive your own truck up?

343 The WITNESS. Well, our own—it takes us—we figure three days a trip for that truck down and back.

By Exam. KEPHART:

Q. Now, if Consolidated represented here in this proceeding that their present service from San Francisco to Lakeview was first morning delivery, would that be correct or incorrect?

A. I believe that as I understood Mr. Schafer to say—that it would be around noon.

Q. Will you answer my question—if they represented that their present service, at this time, from San Francisco to Lakeview, was first morning delivery, would that be correct or incorrect?

A. That would be incorrect.

Q. Have you seen a copy of their time service schedule which is identified now as Exhibit No. 2 here?

A. No; I have not.

Mr. SCHAFER. I will stipulate that if it does state in there that the present service is first morning, why, it is another error.

Mr. HEDGES. Well, I call your attention to page 30; Lakeview is shown as a sideline point and San Francisco as a head line point. Will you tell me whether it is correct or not?

Mr. SCHAFER. It is wrong.

344 Mr. HEDGES. Well, what should it be?

Mr. SCHAFER. I think it is second morning. We will have a man who prepared that on the stand for cross-examination later.

Mr. HEDGES. I wanted to know what this witness understood it to be. That is all.

Cross-examination by Mr. FARRENS:

Q. You spoke about rail service running from three days to six days between San Francisco and Lakeview. Were you talking about car load or l. c. l.?

A. Car load.

Q. What is your l. c. l.?

A. I haven't shipped any l. c. l. except occasional fountain supplies and bottle caps.

Q. Why is that?

A. Principally because of the rate.

Q. Do you know what the elapsed time for the shipment from San Francisco for delivery to Lakeview by rail, l. c. l. is?

A. I couldn't state definitely the time.

Q. Well, as far as you know, the time element may be all right, but it is the rate element which has influenced you in the past?

A. The time element isn't all right, as far as our beer shipments are concerned; no.

Q. Well, do you know what the elapsed time would be

345 on your beer shipments, l. c. l.?

A. I have never shipped beer l. c. l., Southern Pacific.

Q. You don't know what the elapsed time is?

A. No; but judging from the way they handle car load shipments, why, it would be a considerable time.

Q. Well, can you judge the handling of l. c. l. shipments by the carload shipments they have handled?

A. The only way that I have to judge is that we have received some separators and milking machines shipped from DeLaval that way and it has generally taken from three days to five days.

Q. When did that occur?

A. I received a milking machine in March for Mr. Farber at Davis Creek, California; but I was two days' late on the delivery because I anticipated the delivery to come through Klamath Falls, and instead it came S. P.

Q. It came how?

A. It came Southern Pacific instead of through Klamath Falls.

Mr. SCHAFER. May we have the answer read please.

Chairman TERRIL. Will you give him the answer please, Mr. Reporter.

(The last answer was read.)

By Mr. FARRENS:

Q. What route would that be now?

A. Southern Pacific?

Q. Yes.

A. It goes into Sparks and Reno and Altures and Lakeview.

346 Q. Now, there hasn't been any service, as a matter of fact, since March, 1939, has there?

A. March 1940?

Q. March 1939—or do you know?

A. I don't know. I don't know exactly how those come through there, but I presume that it is the way they come.

Q. And how long did it take that shipment to come through?

A. It took approximately five days.

Q. Do you know when it was loaded in San Francisco?

A. I know that I received the bill of lading and the bill on the machine three days before it arrived.

Q. But you don't know when it was loaded?

A. No: I couldn't state definitely.

Q. Well, then, the facts are that you haven't tried rail service and you don't know what the l. c. l. service for beer on rail service is in the matter of elapsed time?

A. That is right; as far as we are concerned; no.

Q. And the reason you don't know is because the l. c. l. service by rail is higher than the truck rate?

A. That is right.

Q. I thought you said that if the truck rate was competitive with the rail rate, that it would be low enough. Did I misunderstand you?

A. It would be.

Q. You were talking about the carload rate, then?

347 A. That is right.

Q. With respect to the truck—if the l. c. l. rate would be as low as the rail car load rate it would satisfy you?

A. Well, we rarely ship l. c. l. on beer and the cost of shipping any beer l. c. l., the rate is prohibitive.

Q. All beer by truck is less than car load lots, isn't it?

A. They would be under 30,000 pounds, if that is what you mean.

Q. Have you ever used any contract carriers between San Francisco and Lakeview?

A. No; I have not.

Q. Have you ever used any contract carriers between San Francisco and Lakeview?

A. No.

Q. Do you know whether there are any contract carriers available?

A. The Newton boys in Lakeview are contract carriers, but their trucks are not equipped to haul beer.

Q. How does a truck have to be equipped to haul beer?

A. We like to have a covered truck in order to keep the cases and bottles clean and eliminate any pilfering on the road.

Q. It doesn't need refrigeration, does it?

A. Not on pastuerized beer, no; on draft beer, it should be refrigerated or immediate service—overnight service—the next day service.

Mr. FERRANS. That is all.

Mr. ADAMS. I have no questions.

348 Mr. BEROL. I have some questions.

Cross-examination by Mr. BEROL:

Q. Mr. Johns, do you ship any commodities to Altures?

A. No.

Q. Do you have occasion to ship anything to Redding?

A. No; I have no occasion to ship to Redding.

Q. Do you receive anything from Redding?

A. No.

Q. Now, does Consolidated advise you that the Oregon-Nevada-California Fast Freight has an application pending between the bay area and Lakeview?

A. No.

Q. Now, assuming, Mr. Johns, that they had such an application pending, but that application offered a daily service between the San Francisco bay area and Lakeview, via Redding and Altures, that that service was available alike for l. c. l. or carload traffic—that it was a service with the use of refrigerated equipment and that deliveries were made in Lakeview the day following departure from San Francisco, would that kind of a service be of any interest to you?

A. Yes; that service would be of interest to me.

Q. As a matter of fact, it would be a more useable and more applicable service for your needs than the one offered by Consolidated, would it not?

349 A. I wouldn't say it would —not definitely.

Q. Well, you do have some l. c. l. shipments from the San Francisco bay area, don't you?

A. That is right.

Q. Don't those l. c. l. shipments move under the Consolidated proposal, via Redding and Altures?

A. Not l. c. l.

Q. Now, to the extent that the Oregon-Nevada-California Fast Freight could provide such an l. c. l. service, it would be more presentable and usable to you, wouldn't it?

A. For the smaller shipments.

Q. And insofar as it is a daily service, available for both l. c. l. and carload shipments, it would be at least equally advantageous as the offer of Consolidated, would it not?

A. I presume it would.

Q. Now, to that extent, if you were called upon to make a choice between a service offered by Consolidated and a service offered by Oregon-Nevada-California Fast Freight, as I have explained, what would your choice be?

A. My choice, at the present time, would be Consolidated because of the fact that I have had dealings with them between Klamath Falls and Lakeview and some adjustments on claims that have been very satisfactory. I have had no direct dealings with Oregon-Nevada-California Fast Freight.

Q. Now, then, do you have any basis for any complaints

350 against Oregon-Nevada-California Fast Freight, have you?

A. I have none.

Q. And assuming, further, that the practice of the Oregon-Nevada-California Fast Freight, and in the matter of settling claims, were at least equally as good as that of Consolidated, what then would your opinion be?

A. It would be equal. In other words, it would be immaterial which line serves in a case of that kind. After all, business is business, and I am just operating a business, and I intend to try to be in a position to serve the accounts properly. In order to do that, I must have the supplies of what I sell.

Q. Taking into consideration the availability of the l. c. l. service, would it still be equal in your opinion?

A. It would have a little advantage on the l. c. l.

Mr. BEROL. That is all.

Mr. SCHAFER. I have a couple of questions here on redirect examination?

Redirect examination by Mr. SCHAFER:

Q. In the case of the milk machine, if you had had a service available to you that you could have drawn that machine out of San Francisco by noon the next day, would you have saved that sale?

A. Yes.

Mr. FARRENS. Just a minute. I object to that question
351 and move to strike the answer because that isn't car load shipments between San Francisco and Lakeview.

Mr. SCHAFER. Well, I think you misunderstood the application here. The present service is second morning and the proposed service via Klamath Falls will be first noon l. c. l.

Mr. HEDGES. That isn't what Mr. James testified to.

Mr. FARRENS. No; that isn't what Mr. James testified to.

Mr. SCHAFER. That is what I understood him to testify to. We will correct that point. Now, I agree that l. c. l. traffic will move through Klamath Falls, but it will connect with a morning schedule at Klamath Falls to give noon deliveries at Lakeview where now those at Klamath Falls are so late that they can't make such a connection.

You are right in that Redding, Altures, Lakeview route will be used only as an alternate route; but the present service will be improved by reason of the earlier arrivals at Klamath Falls.

Mr. FARRENS. That wasn't my understanding of the testimony, but perhaps you are right.

Mr. SCHAFER. Well, we will straighten it up for you with competent testimony. I agree that mine is not competent.

Chairman TERRIL. Is that all, Mr. Schafer?

352 Mr. SCHAFER. No; I have another question.

By Mr. SCHAFER:

Q. Is S. P. l. c. l. handled on the same train with the car loads?

A. I beg your pardon?

Q. Is S. P. l. c. l. freight brought in with the freight car loads?

A. Well, it is the only train.

Q. Now, in this instance, where you received the bill of lading three days ahead of the shipment, did the bill of lading indicate that S. P. had received that freight?

A. It seems that that should be a definite indication that S. P. received the freight on the date because it is their property until it has been shipped.

Q. How fast is the mail service from San Francisco to Lakeview?

A. We get our mail the evening of the second day.

Q. The evening of the second day?

A. It is distributed about one-thirty.

Q. That is positive proof, isn't it, that the service was five days or more?

Mr. FARRENS. I object to the question as leading and argumentative.

Exam. KEPHART. Is that all?

Chairman TERRIL. I think that it is at least calling for a conclusion.

Mr. SCHAFER. Now, the witness has said that it took
353 at least two days for the letter with the bill of lading, and it takes three days for the shipment, so I can add two and three without being thrown out of court, I hope.

Exam. KEPHART. That is about correct, I think.

By Mr. SCHAFER:

Q. How big a place is Lakeview?

A. The 1940 census, I believe, it had a population within the city limits proper of—I think it was 2,800; and the suburbs would possibly run it up to 3,500; there has been an increase of 2,000 since the 1930 census, I think.

Mr. SCHAFER. It is a fast growing place, isn't it?

The WITNESS. Yes.

Mr. SCHAFER. That is all.

Re-cross-examination by Mr. FARRENS:

Q. Do you know how S. P. l. c. l. freight moves between San Francisco and Klamath Falls?

A. I do not.

Q. Do you know whether it moves upon a freight train or on a passenger train?

A. I have no way of knowing.

Mr. SCHAFER. Is there a passenger train, Southern Pacific, into Lakeview?

The WITNESS. There is no passenger train, Southern Pacific, into Lakeview.

Mr. SCHAFER. When did you say the passenger train was discontinued?

354 The WITNESS. 1935, I think.

Chairman TERRIL. We will stand adjourned until 9 o'clock tomorrow morning.

(Whereupon at 10:25 p. m., July 8, 1940, hearing recessed to 9:00 o'clock a. m. July 9, 1940.)

355 MULTNOMAH HOTEL,
Portland, Oregon, July 9, 1940.

Before Joint Board No. 11.

Hearing continued pursuant to adjournment. 9 o'clock a. m.

Appearances: (As hereinbefore indicated with additional appearances as follows:)

Herman O. Sites, 1321 S. E. Water, Portland, Oregon, appearing for Portland Pendleton Motor Transport Company, protestant.

H. O. Berger, Rate Expert, 2330 3rd Ave., Seattle, Washington, appearing for Manufacturers Association of Washington, Seattle, Washington, as an intervener in support of the application.

PROCEEDINGS

Chairman TERRIL. We will come to order, gentlemen.

Mr. ELLIS. I would like to enter the further appearances that I made a reservation about yesterday morning. On behalf of Mr. Roberts and myself, the appearance of Butler Freight Service of Eureka, California; Eureka-Garberville Truck Line of Eureka, California; Intercity Transport Lines, 585 Bryant Street, San Francisco, California; Redwood Motor Freight of 147

356 North Market Street, San Jose, California; Portland-Seattle Auto Freight, Inc.; Arthur W. Lee and George V. Eastes d/b/a Lee & Eastes; and Clay M. Sugg d/b/a K. & L. Truck Lines.

Chairman TERRIL. Have you amended your written appearance?

Mr. ELLIS. I have not, but I will amend my written appearance.

Exam. KEPHART. In that same connection, through the district director, I have a letter from Claire Macleod of the firm of Sanborn, Roell, and Macleod, San Francisco, to the effect that transcontinental contract carriers protest the granting of the application in Docket MC 42487, Docket No. 15 but will be unable to appear by counsel at the opening hearing in Portland.

That carrier, however, will be represented by counsel at the adjourned hearing set for August 8, 1940, at the Empire Hotel, San Francisco.

The last sentence states that "it should, therefore, not be assumed that our inability to appear at Portland is an indication of a lack of interest in the proceedings."

So that appearance will apparently be entered at San Francisco.

Chairman TERRIL. Proceed, gentlemen.

Mr. SCHAFER. I will call Mr. Jack Allen.

357 JACK ALLEN was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Jack Allen?

A. Yes, sir.

Q. What is your business, Mr. Allen?

A. Well, in a broad term, I would say automotive supplies and equipment.

Q. What is the name of that business?

A. Jack Allen Supply Company at Pendleton.

Q. How long have you been in business there?

A. 24 years.

Q. Aside from your own business, what other experience have you had that would tend to familiarize you with the problems at Pendleton?

A. Well, I was mayor of Pendleton in 1933 and '34, and I was a member of the State Senate from Union, Umatilla, and Morrow counties.

By Exam. KEPHART:

Q. During what period?

A. 1935; and I resigned and was state liquor administrator in 1935 and part of 1936.

By Mr. SCHAFER:

Q. Are you familiar with the service which the applicant, Consolidated Freightways, is here proposing?

A. I believe I am.

Q. What improvement, if any, do you understand will
358 be offered to Pendleton?

A. My understanding is that we will have one day faster service than we have at the present time, which is three days. In other words, that we will have second morning delivery out of the San Francisco district.

Q. Are you familiar with the existing L. C. rail service from the San Francisco Bay area to Pendleton?

A. Yes, sir; I am.

Q. What is that?

A. Four days—it is supposed to be; sometimes it is either four days or five days.

Q. Do you get any of your merchandise from California.

A. Yes, considerable from San Francisco, Oakland, and Los Angeles.

Q. And do you control the routing on that?

A. In practically every case, with possibly one exception.

Q. Is there any occasion in your business to give consideration to the matter of speed in selecting a carrier or a freight service?

A. Yes, considerable, especially in repair parts for trucks and for road construction equipment. I would say, in that, speed is a very vital factor.

Q. What is that so?

A. Well, you might take, for instance, a truck, or if a truck or a piece of machinery is broken down, I think the contractor's figure it costs them an average of $40 to $50 a day for a
539 truck or a piece of machinery out of commission. That is especially true in road construction work, of which we have considerable up there.

Q. Now, as between filling your needs out of San Francisco and out of Portland, which would you prefer—which represents your best interest?

A. Well, I would prefer San Francisco because—taking it from a selfish standpoint, there is quite a difference in price.

For instance, some of the companies, while their factories and so forth are in Oakland and San Francisco, some of them maintain warehouses in Portland; but we are penalized the amount of the warehousing which runs from 5 per cent to 20 per cent. Also, if we get it direct from the factory, the freight is allowed, whereas from Portland we pay the freight. That is rather a selfish view but then it is quite a saving to us in that respect.

Exam. KEPHART. Business is business, in other words.

The WITNESS. Business is business.

By Mr. SCHAFER:

Q. Does the customer enjoy the saving of that?

A. Yes; in practically all cases.

Q. Can you say if the day saved here would result in more of the purchases being made in San Francisco or California?

A. Yes; we would. For instance, there is one account that I mentioned a while ago that we are buying in Portland at
360 the present time on a 50 off basis whereas if we get it direct from Oakland or San Francisco, it would be 60 off which would be a saving of 20 per cent.

Q. That is the difference between dealing with the factory direct and the warehouse?

A. And also the warehouse. And also the freight would be prepaid on the shipment.

Q. Is there any direct motor carrier service, to your knowledge, between the San Francisco bay area and Pendleton?

A. Motor service?

Q. Yes.

A. Not that I know of.

Q. As between a through service by one carrier and a through service accomplished by several connecting carriers, which do you prefer?

A. I would much prefer a service through one carrier, especially on account of shortages. Now, we have lots of shipments which would be one or two cases short when it arrives at its destination. If you have only one carrier to check through, it is much faster in getting your claims adjusted and locating the lost merchandise.

By Exam. KEPHART:

Q. You file it against the delivering carrier, don't you?

A. We file it against the delivering carrier.

Q. And they take care of all the rest?

361 A. They take care of all the rest, but I notice that, like from Seattle where it is direct over one carrier, we get much quicker settlement of claims and so forth. When it is just a case of lost goods, lost in transit, left at some station where it has been transferred from one carrier to another, we find that in nearly every case we can check up a lot quicker and get delivery of the goods, if it comes by one carrier.

By Mr. SCHAFER:

Q. You are referring to merchandise which comes through partly short?

A. Yes, in eight or ten cases there may be one or two cases short on delivery.

Q. Have you done business with Consolidated Freightways?

A. Yes; I think ever since they started operating in Pendleton.

Q. Have you found them dependable and reliable?

A. Yes; very dependable and reliable.

Q. Have you had any recent damage claims, the settlement of which was delayed by reason of the fact that you had to deal through more than one carrier?

A. I have had considerable shortage of goods which afterwards came through, as I explained a moment ago, but only one damage case that I have found for quite a little while.

Q. When was that?

362 A. About six weeks ago I had a shipment from the Van Doon Company at Oakland, a shipment of a large mechanics' tools. It was considerably smashed up in transit and

we put in a claim at the local office. It did not come through Consolidated. It came through another truck line. It was about three weeks before we got a kit through in good condition, and then it was too late to make delivery. Our customer wouldn't accept delivery.

Q. From your experience in business, there for 24 years and as mayor, have you made any observation as to whether the community, generally, has need for a faster service from San Francisco?

A. Yes; I think that I have. I think the same thing which would pertain to my own individual business which, of course, is small, would pertain to every other business in that district.

Mr. SCHAFER. That is all I have on direct.

Cross-examination by Mr. ELLIS:

Q. Mr. Allen, as I understand it, you are a patron of Consolidated Freightways at the present time?

A. Yes; not entirely; I don't ship everything by Consolidated, but I ship quite a bit by Consolidated.

Q. Do you use their service more often than any other motor carrier, do you?

A. No; I would say just about on a fifty-fifty basis with one other motor carrier.

363 Q. Have you ever made any complaints to Consolidated Freightways or to any other motor carrier concerning your service from San Francisco?

A. No, no; no direct complaints.

Q. Has it ever occurred to you that there was anything seriously wrong with your service from San Francisco until it was called to your attention by a representative of Consolidated Freightways that they were proposing something better?

A. No; not particularly anything wrong, but of course, you are always interested in any faster service, whether freight or otherwise.

Q. Now, just what promises were held out to you in the way of better or faster service?

A. Nothing at all except that they were going to maintain a two-day service—second morning service out of San Francisco or Oakland—nothing further than that.

Q. Did they tell you how that was going to be maintained?

A. No.

Q. By what routes?

A. I understood but I wasn't told by them just what route they were going to follow.

Q. Were you told that Consolidated Freightways was now operating through service between Portland and San Francisco,

through their connection with the Oregon-Nevada-California Fast Freight and through the use of trailer equipment
364 which was interchanged without change of lading at Medford?

A. No.

Q. You didn't know that practice had been used for the past year?

A. I didn't know just what their practice was except that they were operating through some other carrier.

Q. You didn't know that their equipment was going all the way from Portland through to San Francisco without being unloaded so far as these trailers were concerned?

A. No; I did not.

Q. Did you understand that there would be any savings in the number of handlings as a result of the change of service that they propose?

A. No; I wasn't really interested in that, outside of the fact that we would get 24-hour quicker service, was really the thing that I was interested in.

Q. Did they tell you that the only way they could give you the 24-hour quicker service would be by reason of obtaining the rights which they were seeking in this particular case?

A. No.

Q. And if they could give that service through other connecting carriers, and through speeding up their own service over lines which they now operate, that would serve your purpose equally well?

A. It would, outside of the fact that you would still have
365 two carriers to deal with there in getting your claims through—getting your shortage of goods through and so forth.

Q. Well, when you ship by rail from San Francisco or Los Angeles, you have to deal with two carriers, do you not?

A. Well——

Q. (Interposing.) Southern Pacific and the O. W. R. & N.?

A. I naturally know that it is carried by the two carriers, but for me, for instance, I simply put in my claim with the local carrier at the delivering end of it.

Q. That is what you do now with your truck lines where the shipment is handled by two carriers?

A. Yes.

Q. The same situation is true when you ship from Seattle, is it not?

A. No; Seattle is direct shipment—Consolidated—everything that we order from Seattle, I always specify Consolidated on

everything from Seattle, because it is faster—oh, I wouldn't say it is any faster service, but it is service by one carrier.

Q. Is it your opinion that that shipment comes through without change of equipment at Portland or some other terminal?

A. I have never looked into that. I couldn't say whether it is changed or not, but I was under the impression that it was straight through service on one piece of equipment; but I am not sure of that. I never looked into it.

366 Q. In connection with your rail services from Puget Sound points, you normally would have an interchange, wouldn't you, between carriers?

A. I don't know as to that. I haven't shipped anything by rail from Puget Sound points for a great many years.

Q. In connection with your air service, you don't have direct air service, either, from San Francisco or Seattle, do you, to Pendleton?

A. Not direct air service; we have air service and have used it in a great many circumstances, in order to speed up the shipments.

Q. But in substantially every other case in connection with your transportation, either rail, air, or motor, where you are receiving shipments from major Pacific Coast terminals, the service involved some change of carrier at some point enroute?

A. I wouldn't be able to testify to that, but I presume that it does. From Seattle, I believe that it is direct. I have always been under that impression, anyway, that there was no change whatever coming from Seattle.

Q. Would you advocate to the Interstate Commerce Commission that they take some action to give Pendleton direct rail service by a single carrier?

A. Direct rail service?

Q. By a single carrier, from San Francisco?

367 A. No; I don't think I would.

Q. Well, why wouldn't you?

A. Well, because we haven't used the rail service. It hasn't been near as adequate as the truck service.

Q. I am speaking now particularly of the community. You have been, I realize, a community minded citizen over a period of years, and I am wondering if, on behalf of the community and your interests in the community, you would urge such a thing as a direct one-line rail service from San Francisco or from Los Angeles to Pendleton?

A. Not unless it would speed up the service.

Q. You think you would be justified, though, in making such a demand on the Interstate Commerce Commission as that?

A. I think we would be, if it would speed the service, yes.

Q. You think the importance of Pendleton and the best interests of Pendleton would justify you in making such a request or demand?

A. It is only of many towns, as far as that is concerned.

Q. You realize, of course, that all towns in the Pacific Northwest can't be placed in the position of a metropolis such as Portland or Seattle, so far as the directness of your transportation service is concerned?

A. Oh, yes; certainly.

Q. And you wouldn't expect the Los Angeles-San Francisco, Seattle Air Lines to make direct service to Pendleton
368 available, would you?

A. No, no; indeed.

Q. And the reason you wouldn't expect that is that Pendleton is not of the size of Portland and San Francisco and it is out of line—off the main direct line?

A. That is true; yes.

Q. Now, wouldn't you assume that substantially similar conditions would exist in connection with the operation of a major truck line?

A. Well, that is something that I hadn't gone into. I have just been interested in getting just as fast service as we possibly could.

Q. And did you understand that you would get direct service by Consolidated in the event this application would be granted and that there would be no interchange of your freight at terminals?

A. No, no; I didn't understand that; I understood that there would be a rehandling at one point. I am not sure just where that was—that would be a reloading onto the trucks; but not a change of carriers.

Q. In the final analysis, what you are primarily interested in is any saving of time?

A. Any saving of time.

Q. And you are not particularly interested in hauls that is accomplished or who accomplishes it, are you?
369

A. No, not at all.

Cross-examination by Mr. FARRENS:

Mr. ELLIS. That is all.

Q. You have mentioned one account in San Francisco which you thought you would use in the event delivery time was cut by one day, and you added, I believe, that shipments from that account in San Francisco would involve prepayment of freight, is that correct?

A. That is correct; yes, sir.

Q. In that instance you would not control the routing, then, would you?

A. Not necessarily, no; but as a general case, where they allow freight or prepaid freight, they would ship by whatever routing you suggest. That is, providing the rate is the same as the others; as long as there is no additional rate, rather.

Q. Well, isn't it a fact that, generally speaking, a consignor who prepays the freight names the route?

A. As a general rule, if we put it on our requisitions, which we would in that case, why, it would be shipped according to our instructions, because the freight is not prepaid. In most of those cases it is freight allowed.

Q. Mr. Allen, if your theory is what constitutes public convenience and necessity in these cases, where some party wants through service by one carrier direct, then public convenience and necessity would really demand that all truck service
370 in the United States be furnished by one carrier, wouldn't it?

A. Wherever possible, you might say; yes.

Q. And that would mean through service from New York City to Portland?

A. If it was practical, I would say.

Q. Now, you understand that this hearing is held under the division of the second part of the Interstate Commerce Act, for carriers of freight?

A. What was that question?

Q. You understand that this hearing was held under the provisions of the second part of the Interstate Commerce Commission Act regulating motor carriers of freight, do you not?

A. Oh, yes.

Q. And do you understand that the purpose of that Act is to preserve a sound, able, and efficient motor service for the public?

A. Yes.

Q. Now, do you think that incidental saving in time of delivery for a town the size of Pendleton, from the public standpoint, would compensate for disruption of main line motor carrier service between Portland and San Francisco or undue competition on such a main line route?

A. I wonder if I could have that read?

Chairman TERRIL. Read the question.

(The last question was read.)

371 Mr. SCHAFER. I am going to object to the question as having engaged the witness in an argument. It is certainly the function of the Commission here to find the facts, and it is the

function of the Commission to determine whether or not the impairment would be great with respect to the main line carriers. It calls for a conclusion from this witness which only the Interstate Commerce Commission—the Joint Board can make.

Chairman TERRIL. Let's have the question again, please, Mr. Reporter.

(The question referred to was read.)

Chairman TERRIL. Can you answer the question, Mr. Allen?

The WITNESS. Why, I would say that the question there would be whether it would disrupt the service—if it would disrupt the general service on the main line route, then it probably would not, but I do not believe that it would disrupt the main line service.

Mr. FARRENS. That is all.

Cross-examination by Mr. HICKSON:

Q. Mr. Allen, am I correct that you were basing your opinion here as to the benefit you would derive from this service on the assumption that the Consolidated Freight Lines will be able to maintain a daily schedule out of San Francisco if they are granted these rights?

A. Yes, sir.

Q. And if they did not name a daily schedule, the service
372 would not be satisfactory to you, would it?

A. No; it would not.

Q. Did you understand that the Consolidated, in this application, was also trying to get a daily service from San Francisco to Marshfield?

A. No, sir; I didn't know that.

Q. And also a daily service to Klamath Falls and to Medford and Lakeview?

A. No, I didn't know about that at all.

Q. Did you also understand that Consolidated operates out of San Francisco east to Nevada, daily?

A. I didn't know that.

Q. I am asking whether you know that it is based on the assumption that they will have a daily service?

A. At least six days a week.

Cross-examination by Mr. BEROL:

Q. Mr. Allen, I think you stated that Consolidated handles one-half of your freight, approximately?

A. Yes, approximately one-half.

Q. Who is the motor carrier who operates the other half?

A. Portland-Pendleton Trucking Line.

Q. Have your relationships with the Portland-Pendleton Line been entirely satisfactory?

A. Yes, they have been very satisfactory.

Q. They offer a good service?

373 . A. A good service.

Q. Now, has the Portland-Pendleton Company participated in any of the traffic originating in California for any of your lines?

A. Yes, yes; they have brought in some.

Q. Have you been advised that the Oregon-Nevada-California Fast Freight has an application pending between San Francisco and Portland?

A. No, sir.

Q. Now, assuming that such an application is pending by that line, under which it offers a daily service from the San Francisco Bay points to Portland, and then proposed to connect from Portland to Pendleton, with the Portland-Pendleton Lines offering a second day service, would that kind of a service be equally attractive to you as a Consolidated service?

A. No.

Q. Why not?

A. Because you would have two carriers.

Q. How about the standpoint of time; would there be any difference from the standpoint of time?

A. Not if they maintained a daily through service.

Q. Then the only difference would be that there would be two lines instead of one?

A. Yes.

Q. Have you had any difficulty in the matter of claims with the Portland-Pendleton Company?

374 A. I have had only one claim in the last two years, at least.

Q. That is the only time you have had occasion to file a claim?

A. For the damaged goods; of course, there is never a week passes where there isn't some shortaged goods.

Exam. KEPHART. Do you always find that lost goods?

The WITNESS. Yes, always; but it is several days late.

By Mr. BEROL:

Q. It is reasonable to assume, from your experience, that the matter of shortages is liable to occur with any transportation line, no matter how careful they are?

A. Where it is transferred from one line to another.

Q. Now, similarly, is it likely to occur when it is transferred by the same line from one type of equipment to other types of equipment, if you know?

A. I don't think so. I don't think so. I don't think you would have nearly the danger of lost goods that way.

Q. Upon what do you base that conclusion, Mr. Allen?

A. Well, because you have two companies handling the goods and you have got two companies to check with; that is, one company has got to check with the other to locate the goods.

Q. Have you made any summary of your shortage claims respecting the instances where two or more lines have participated as compared to those instances where only one line has participated to determine what the facts are?

A. No; not particularly, except that the shipments from Portland or from Seattle, very seldom we have a shortage when
375 the goods arrive, but further distances, where it is carried over two or more carriers, we have shortages, and as I say, every week.

Q. Now, shipments for Portland are carried over one piece of equipment without interchange, are they not?

A. I believe they are.

Q. Now, under the proposal of Consolidated, there would still be an interchange on the platform of Consolidated here in Portland, would there not?

A. I don't know whether it would be in Portland or not, but they said there would be an interchange.

Q. Is there more likely to be a shortage than where there is no change whatsoever?

A. I think so.

Cross-examination by Mr. ADAMS:

Q. Mr. Allen, the Portland-Pendleton Line is a line that specializes in serving your community, isn't it?

A. I don't think so, any more than Consolidated.

Q. Well, I mean this: That is their only operation, is between Portland and your community, isn't that so?

A. No; they operate on East—I am not sure whether they just go to La Grande or Baker.

Q. La Grande and Baker?

A. Yes.

Q. Geographically, that is part of your community?

376 A. Yes.

Q. So you will agree with me that the Portland-Pendleton Line does specialize in operating between Portland and your community?

A. I would say that the service is just about the same on the two lines.

Q. Well, you do know that Consolidated operates quite generally——

Mr. SCHAFER. Now, I am going to object to further questioning along this line. It is obviously intended to prejudice the witness

against lines which serve other communities besides Pendleton. If that is the only purpose, I think it has no bearing upon the issues of this case.

Mr. ADAMS. Now, here is a motor carrier that serves between two communities and the transportation of those two communities is very important to its existence, as distinguished from another carrier that serves widespread communities. I think the question is quite proper.

Chairman TERRIL. We are concerned primarily with the matter of service here.

Mr. ADAMS. You are also concerned very much with the effect on existing facilities between points.

Mr. SCHAFER. Well, on that point, it is up to the existing facilities to put in their own evidence, and not to try
377 to draw out prejudice in that manner. I insist upon a ruling on my objection.

Chairman TERRIL. Let's confine the questions as much as possible, Mr. Adams. The witness may answer.

Mr. ADAMS. I think I might as well state it again.

By Mr. ADAMS:

Q. You understand what I mean by a carrier specializing in serving particular communities, as compared to a carrier which serves other communities, do you not, Mr. Allen?

A. Do you mean by that question—Do I think, where they serve special communities, that they are more entitled to the business?

Q. No. I asked you if the Portland-Pendleton Line did not specialize in serving your community?

A. No, I wouldn't say that they did any more than Consolidated.

Q. Well, does the Portland-Pendleton Line serve any other community besides Pendleton and vicinity?

A. Baker, I believe.

Q. Well, do you know whether Consolidated specializes in serving any other communities other than Pendleton, La Grande, and Baker?

A. Oh, yes.

Q. Now, Portland-Pendleton Line is a necessary adjunct to your community, is it not?

A. A necessary adjunct, you say?

378 Q. Yes.

A. Well, it is a big help to have two lines.

Q. Certainly, and you would like to see it continue in business—continue in existence, wouldn't you?

A. Yes, yes; certainly.

Mr. ADAMS. That is all.

Chairman TERRIL. Do you have any further questions, Mr. Schafer?

Mr. SCHAFER. No; I have no further questions.

Chairman TERRIL. That will be all, Mr. Allen. Thank you very much.

(Witness excused.)

Mr. SCHAFER. Now, if the Board please, I have another witness from the same part of the country, engaged in a business which is somewhat similar, and I could save some time by having him adopt the testimony on direct and cross-examination. Of course, it would be necessary for the protestants to join in such a motion. Yesterday I did that and the cross-examination went on just the same.

Chairman TERRIL. If we are going to have extended cross-examination on all of these witnesses, especially those from the same community, we might be here from now on. Now, the Examiner and I are perfectly willing to stay if you fellows want to, but I think if we could have a little cooperation all around on di-
379 rect examination and cross-examination, we might shorten the amount of time used.

Examiner KEPHART. I would say that we could adopt the testimony of the former witness.

Mr. FARRENS. Well, if counsel thinks he can put a witness on the stand and have him adopt the former testimony without my objecting on cross-examination, he will find that he is mistaken.

Examiner KEPHART. It is repetition that we were trying to avoid, rather than the examination on the slight differences.

FRED BASCHE was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name for the reporter, please, and spell it?

A. Fred Basche [spelling].

Q. And you are the purchasing agent for the Basche Sage Hardware Company?

A. I am.

Q. And where is the Basche Sage Hardware Company operated?

A. Baker, Oregon, with branches in La Grande and Ontario.

Q. What is the nature of that business?

A. Wholesale and retail of hardware and plumbing supplies, mining machinery and automotive supplies.

Q. How large a concern is that?

A. We have aproximately fifty employees. It was estab-
380 lished in 1903, and it is the only wholesale hardware concern of that type between Boise and Portland.

Q. Do you receive freight from San Francisco?

A. We do.

Q. And what commodities, principally?

A. Mostly automotive supplies and our biggest commodities that we receive out of San Francisco is batteries and plumbing supplies, mining supplies.

Q. Are you familiar with existing services which are available to you at Baker?

A. I am.

Q. And are you also familiar with the proposal of Consolidated, here, to render second morning delivery between San Francisco and Baker?

A. Yes.

Q. Now, you heard the testimony of Mr. Allen who just left the stand?

A. Yes.

Q. Now, if you were asked substantially the same questions as to your preference for a through carrier and such matters as were asked Mr. Allen, would your answers on direct examination and cross-examination be substantially the same?

A. Yes; the same.

Q. Do you have any further remarks to add to those of Mr. Allen?

381 A. Well, I might add that I think that in the locality where we are around Baker, that service is one of our principal factors because of the mining industry that is there. The parts that we receive and a lot of the equipment that we receive is out of San Francisco, and any tie-up that is caused by a longer time to receive the merchandise is always a detriment to the mining industry. If they are forced to close down, it is a loss of payroll and a loss of production.

Q. Now, you heard Mr. Allen's testimony as to the benefits which he derived by ordering merchandise from the direct source in San Francisco, rather than through a warehouse at Portland. Does that situation apply to your business also?

A. Yes; it does.

Q. To what extent?

A. Well, we have practically the same lines that Mr. Allen does in the automotive line and we also have it in the plumbing line. It is handled on the same basis. They have the Portland warehouses that always charge a handling charge when ordered out of their warehouse and when ordered out of San Francisco, which is the main distributor, there is no handling charge made and freight on most items is prepaid when ordered in the larger quantities.

Mr. SCHAFER. You may cross-examine.

Mr. ELLIS. I have no cross-examination.

Mr. HEDGES. I have no questions.

382 Cross-examination by Mr. FARRENS:

Q. Now, does the Portland-Pendleton stage line serve Baker as well as La Grande?

A. Yes; it does.

Q. Does it handle some of your business?

A. Yes.

Q. Does it handle some of your San Francisco, Baker, La Grande business?

A. Yes.

Q. You want to see that company continue in business, do you not?

A. Yes.

Mr. FARRENS. That is all.

Mr. HICKSON. I have no questions.

Mr. ADAMS. No questions.

Mr. BEROL. No questions.

Chairman TERRIL. Thank you, Mr. Basche.

(Witness excused.)

C. J. WALTZ was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name for the record, and spell it, please?

A. C. J. Waltz [spelling].

Q. And you are at Baker, Oregon?

A. Yes, sir.

383 Q. What is the nature of your business?

A. Creamery business, wholesale beer and wine, and various allied grocery items we handle.

Q. Are you the manager and owner of that business?

A. Yes; I am.

Q. Do you understand the service which Consolidated Freightways is here seeking authority from the Interstate Commerce Commission to render?

A. Yes. We are interested primarily in the service out of Baker, which would be second-morning delivery to San Francisco.

Q. Do you sell in the San Francisco territory now?

A. We do.

Q. And what commodities?

A. Butter.

Exam. KEPHART. Do you buy from the San Francisco territory?

The WITNESS. Some items, yes—On grocery items.

Exam. KEPHART. That is, you ship in both directions, then?

The WITNESS. Ship both ways.

By Mr. SCHAFER:

Q. What is the present service available to you on butter from Baker to San Francisco?

A. Of course, the quickest service is express; but the rates are prohibitive and we don't use that. The next best service is by truck.

384 Q. How fast is that?

A. That is third delivery from San Francisco.

Exam. KEPHART. How does it move at the present time, by way of Portland?

The WITNESS. By way of Portland.

By Mr. SCHAFER:

Q. What service do you use now?

A. Consolidated. I am not familiar with whether it is Cascade Fast Freight or what line it is that they hook up with at Medford.

Q. Is that the best service that you have been able to find today?

A. It is the best service.

Q. Are your products perishable?

A. Definitely so.

Q. You have heard the testimony here regarding mechanical refrigeration and so forth?

A. No; I didn't hear that testimony; but I have seen the equipment that you handle the perishables in, so that I am familiar with it.

Q. What have you to say with respect to the satisfaction received from using that equipment?

A. The equipment gives entire satisfaction. The butter goes through in a first-class condition.

Q. Now, what other butter producing areas do you have to compete with on the San Francisco market?

385 A. From our section up there, principally southwestern Idaho.

Q. Do you know whether or not the southwestern Idaho territory presently enjoys an advantage over Baker as to fastest time to San Francisco?

A. Yes; they do. I had occasion to ask for rates from Baker into San Francisco, through southern Idaho, understanding that you people had a service out of that area, and I was told that your tariff permit didn't cover our section of the State.

Q. Do you know what service is available to the butter producers of southwestern Idaho?

A. I understand that you have second-day delivery out of that area into San Francisco.

Q. Is Baker's location, with respect to San Francisco, such that you think you should be on a parity, insofar as transit time from Baker, compared to southern Idaho?

A. Absolutely. We are only 80 miles from Ontario, which is only a couple of hours run.

Q. What is the volume of production of your plant at Baker?

A. We produce about 300,000 pounds of butter a year.

Q. In other products?

A. Cheese, we buy eggs and the production in that area——

Q. (Interposing.) Are you satisfied with the existing transportation services between San Francisco and Baker?

A. No; we are never satisfied with the existing service when there is a chance for a better one.

386 Q. Do you have any general statement to make with regard to the transportation needs of your company?

A. Yes. In the spring of the year, on a declining market, when our production is picking up and we have a large surplus of butter, it is vital to us, inasmuch as we pay cash for the raw product, to move our finished product to market as fast as possible. That extra day at times means a considerable saving in our operations.

Q. Have you ever been solicited by Colletti Fast Freight or Pacific Refrigerator Line, O. J. Mitchell, Los Angeles-Seattle?

A. No; I never have been solicited by them.

Q. Cascade Fast Freight?

A. No.

Q. Can your butter be transported in the same vehicle with fish?

A. No; absolutely not.

Q. Is rehandling en route——

Chairman TERRIL (interposing). Mr. Schafer, by the way, does your line haul fish?

Mr. SCHAFER. We haven't hauled any yet, not that I know of.

Mr. FARRENS. Perhaps that question should be asked of some of the applicant's officers.

Mr. SCHAFER. You will have the opportunity.

387 Exam. KEPHART. As to whether they would haul fish, if it was offered to them?

Mr. FARRENS. No; I think the answer would be that they do haul the fish.

Exam. KEPHART. They would haul the fish?

Mr. FARRENS. They do haul it—not wood.

Chairman TERRIL. Well, we will take it up at the proper time.

Mr. FARRENS. I am merely not satisfied with counsel's answer to the question.

Mr. SCHAFER. I will state frankly that the purpose of the examination is to tie in with evidence produced at other hearings.

Mr. BEROL. I think everybody knows the purpose of the questions.

Mr. SCHAFER. Some of the carriers have testified that 90% of their business is fish, and I am tying it in with that in mind.

By Mr. SCHAFER:

Q. Is rehandling en route a factor you would consider when selecting a carrier?

A. Yes; it is. Rehandling is quite vital. We pack butter most of the year in cardboard boxes. Rehandling en route breaks these cartons up and causes damage to the butter, through foreign matter getting in on the sides of it and causes a lot of claims and unnecessary inconvenience.

388 Q. You heard the testimony of Mr. Allen with respect to his preference, in tracing lost or damaged shipments, for a through service conducted by one line as compared to a joint service by several lines?

A. Yes; I did.

Q. Does that conform to your preference?

A. Yes; it does.

Q. Has any carrier ever offered you a really dependable second morning delivery at San Francisco?

A. No.

Q. Now, are you familiar with the business of the Blue Mountain Creamery at La Grande?

A. Yes; I am.

Q. Are you acquainted with the management of that creamery also?

A. Yes; I have known him about fifteen years.

Q. What is his name?

A. Tyler.

Q. Have you been authorized by Mr. Tyler to make the same representations for him that you are for yourself?

A. I have.

Q. Do you have a letter to that effect?

A. Yes; I have.

Q. Signed by Mr. Tyler?

A. Signed by Mr. Tyler.

Q. And you are aquainted with his signature?

389 A. Yes; I have had occasion to see many of his letters and handle his checks made to us, for the last fifteen years. I am familiar with his signature.

Mr. SCHAFER. That is all I have on direct examination.

By Chairman TERRIL:

Q. Mr. Waltz, of this 300,000 pounds of butter that you put out annually, how much of it moves to the Bay area?

A. About 70% of it.

Q. In your daily shipments, what is the average weight of those shipments?

A. All the way from l. c. l. shipments in the spring of the year, on a declining market, to carloads during the storing season for the balance of the year.

Q. By carloads you mean truckloads?

A. 20,000 pounds.

Q. Do you know whether that butter is handled from one vehicle to another in transit at the present time?

A. It must be, at times, because we have loaded butter— Consolidated give us pick-up service there and at times we have loaded that butter into the truck—not the trailer; so that I feel sure in stating that that butter must have been rehandled en route.

Q. Now, I understand that at present you have a third-day delivery in the Bay area from Baker?

A. Yes.

390 Q. And what is promised by this service that Consolidated is proposing?

A. Second-day delivery.

Q. Do you know what service—Do you know whether or not the southwestern Idaho producers have second-day delivery?

A. It is my understanding that they have.

Q. Do your shipments, other than butter, consist of any large volume?

A. Beer from San Francisco runs at 30,000 pounds.

Q. Is that handled by truck or by rail?

A. At the present time it is hauled via Portland by rail.

Q. Have you ever shipped any by truck?

A. Not out of San Francisco.

Chairman TERRIL. Cross-examine.

Mr. SITES. Mr. Chairman, I would like to ask some questions.

Chairman TERRIL. Will you state your name for the record, please?

Mr. SITES. Herman Sites, president Portland-Pendleton Motor Transport.

Chairman TERRIL. Do you intend to file an appearance in this matter?

Mr. SITES. Not yet.

Chairman TERRIL. Do you intend to, I say?

Mr. SITES. Yes.

391 Mr. SCHAFER. Are you represented by counsel here, Mr. Sites?

Mr. SITES. No.

Examiner KEPHART. Why not file your appearance right now, Mr. Sites?

Mr. SITES. I would like to.

Chairman TERRIL. You may ask your questions and file your appearance later with the reporter.

Mr. SITES. All right.

Examiner KEPHART. You are the owner of the Portland-Pendleton Transport Company?

Mr. SITES. That is correct.

Cross-examination by Mr. SITES:

Q. Mr. Waltz, you are aware that Portland-Pendleton serves the Baker area?

A. Yes.

Q. Are you also aware that on 70% of the commodities for the past 18 months there has been available second-day delivery from Baker on butter?

A. No.

Q. Have you checked on that service?

A. No; I haven't checked, but I know how the butter goes through. I know when it is received in San Francisco.

Q. Have you called the Portland office and asked whether second-day delivery service was or could be had to San Francisco?

392 A. I talked to them about three months ago on it.

Q. But you haven't talked to him recently on second-day service being available into the Bay area?

A. No.

Q. Are you aware of the fact that Portland-Pendleton has handled butter for years out of that area and handled it to Portland without yet having to pay a damage claim on it?

A. I am not familiar with Portland-Pendleton handling butter from other points.

Q. You have not used the service?

A. We used your service a year ago.

Q. Was that on butter?

A. Butter.

Q. To Portland or the Bay area?

A. The Bay area.

Q. At that time, what determined the use of Portland-Pendleton—Was it a rate condition or a service condition?

A. It was neither one. It was just one of those things where you sometimes give the other fellow a little business.

Q. On the proposed shipment straight through, you spoke of carloads. Have you been promised the same rate straight through on second-morning delivery that you at the present time have on seven-morning delivery?

Examiner KEPHART. You mean beer?

Mr. SITES. Yes.

393 Mr. SCHAFER. That was north-bound, as I understand Mr. Sites.

Mr. SITES. That is all.

Cross-examination by Mr. ELLIS:

Q. I understand it was second-morning delivery of butter that was promised you that induced you to appear here and testify in this case?

A. That is right.

Q. And the service is now available to distant carriers that would largely serve your needs?

A. If that service is now available to existing carriers, the line that has it is rather negligent about informing the shippers of that service.

Q. Have you made any inquiry or complaint, either to the Portland-Pendleton Line or to the Consolidated Freightways, as to their service to San Francisco?

A. I will answer that this way: I check services and rates quite often in Baker and just before the butter season started, I checked both of them and there was three-day delivery to San Francisco.

Q. Did you make any protest or complaint to them?

A. It was the best service they had.

Q. You didn't complain about it?

A. No, no. I know that they are regulated and have certain schedules to meet and if they have a three-day service, why,

394 that is the service.

Q. And you knew, if you didn't think it was a reasonable service, you could have filed a complaint with the Interstate Commerce Commission and obtained a hearing on it?

A. (No answer.)

Q. Will you answer that question, please—You knew that, didn't you?

A. Certainly. I want to answer the question a little bit further too. As I stated in my direct testimony, I tried to get service from Ontario to San Francisco, knowing that they had second-morning delivery, and knowing that the rates were such that we should be entitled to that.

By Exam. KEPHART:

Q. You couldn't get that service?

A. No.

395 Q. What carriers offer that service?

A. Consolidated; but their permit, I understand, stops at Ontario.

Mr. SCHAFER. If the Examiner please, the compliance order expressly restricts our Southwestern Idaho business to points east of Ontario and Weiser. We haven't the right to haul via Boise into San Francisco.

By Mr. ELLIS:

Q. As I understand it, the principle time when you want second-morning delivery of butter in San Francisco is in the spring of the year when there is a falling market.

A. That is a big influencing factor, and also butter is very perishable and the quicker you can get it into market, the better off you are with your butter.

Q. Do you ship any butter to Los Angeles?

A. Occasionally.

Q. What delivery do you get on that?

A. As near as I remember, it is fourth day—fourth or fifth day.

Q. As long as the butter is properly refrigerated en route, there is no serious danger in shipping it to distances such as Los Angeles, four, five, or six days, or even longer, is there?

A. To Los Angeles we usually ship by rail in carload lots and, of course, it is iced.

Q. Your butter to San Francisco, of course, moves under
396 refrigeration, does it not?

A. Yes.

Q. As a matter of fact, you could ship it safely to New York under refrigeration, or Europe?

A. Well, we wouldn't attempt to by truck.

Q. But you could ship it even to Europe under refrigeration and expect it to arrive there in good condition; by rail and boat—couldn't you?

A. Oh, yes.

Q. As a matter of fact, what is the maximum amount of time that you could keep butter in storage?

A. Butter, at the right temperature, could be kept probably up close to a year's time; and by the right temperature I mean down around zero.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Waltz, ordinarily are your shipments of such size that you completely fill one unit; a truck or a trailer?

A. That we what?

Q. That you completely fill one unit; a truck or a trailer?

A. Yes; we have had two shipments within the last thirty days; one was a complete truck and trailer, and the other was a truckload.

Q. Is that the usual size of your load?

A. Not as—no; as I stated in my direct testimony, that
397 in the spring of the year we usually move it out about as fast as we make it.

Q. Has it been represented to you that the piece of equipment in which your shipments will be loaded at Baker will travel all the way through to San Francisco without changing the lading of that shipment?

A. That has been represented to me but I presumed that when they were handling it on their own equipment, straight through, and then it was loaded at Baker, that they would not interchange it.

Q. Your understanding was that there would be no interchange?

A. They did not make any such statement to me.

Q. Where did you get such an idea?

A. Knowing that the trucks could go across the State lines with the cooperation of the Public Utilities Commissions of the various States.

Q. Do you know how these shipments go to San Francisco, the routes it is traveled and the points of interchange, if any?

A. It is interchanged at Portland by Consolidated, as I understand it, and at Medford where it goes by the Portland-Pendleton—No; it is the other way around; Portland-Pendleton exchange at Portland and Consolidated interchanges at Medford.

Q. Now, as I understand, do you think there is only one interchange?

A. I don't know. I know those are division points.

398 Q. Do you understand that there are two interchanges or one, at the present time?

A. I know that Portland-Pendleton come as far as Portland and Consolidated as far as Medford, but what transpires beyond that, I don't know.

Q. The reason I have asked you that, Mr. Waltz—I want to ask you again; I don't know whether I understand the other questions correctly. What time of day do your shipments leave Baker when they are coming through Portland?

A. They leave 8:00 o'clock to 9:30.

Q. Morning or evening?

A. Morning.

Q. In the morning?

A. Yes.

Q. What is your understanding of how long it takes that shipment to get to Portland?

A. My understanding is that it is sometime late that night or late the next morning.

Q. Does it get there reasonably early that evening, and can leave in the morning?

A. I will have to say that I am not familiar with their schedules and can't answer that question.

Q. Have you ever been advised by either Consolidated or the other carriers operating out of Baker into Portland that
399 there is available, and has been for sometime, service from Portland to San Francisco, 24-hour service?

A. I answered Mr. Sites' question, that very same question. Three months ago I asked Portland-Pendleton and Consolidated.

Q. You asked Consolidated?

A. Yes, and it was a three-day service; and I asked the Portland-Pendleton and it was a three-day service.

Q. Do you know that if a shipment was brought here in the evening, that the carrier could turn it over to another carrier that runs from Portland to San Francisco in refrigerated equipment, and make it in 24 hours?

A. No; I never have been advised of that; neither has Portland-Pendleton advised me of that.

Cross-examination by Mr. FARRENS:

Q. Mr. Waltz, do I assume that your entire testimony is based on the theory that it is impossible for Consolidated Freightways to give you two-day service from Baker to San Francisco under their present set-up, but could if this application was granted?

A. Should the Interstate Commerce Commission permit them to come 80 miles farther into Baker and pick up our butter and take it out through Southern Idaho, they could.

Q. Well, that is not what they are asking in this case, is it?

A. I dont know.

Q. Do you know what they are asking in this case?

400 A. I would like to add to that, that we are promised second-day delivery in San Francisco under their present application.

Q. Do you know what their present application is for?

A. Better service to the public, I would say.

Q. Well, do you know what their present application requests the right to do?

A. No; not as a whole, other than the service that will affect me; I am not familiar with it.

Q. All right, in the service which will affect you, what extensions are they asking for?

A. What is that?

Q. What extensions of their routes are they asking for in service which will affect you?

A. Well, it is presumed by me that they will go into California from Oregon.

Q. And is that from Medford into California or from Klamath Falls into California?

A. I dont know.

Q. Is your testimony in this case based upon the assumption that, under their present arrangement which terminates at Medford and Klamath Falls, they are unable to give you the service, but if they are permitted to extend to California, they will be able to give you two-day service, is that the basis of your testimony?

A. Yes, sir.

401 Q. And that is the sole basis of your testimony, isn't it?

A. Yes; it is better service.

Mr. FARRENS. That is all.

Mr. HICKSON. If the Board please, I don't have any questions of the witness; but it appears to me, in view of the testimony that has gone into the record up to date, that the shipper witnesses who are testifying here are not familiar with how this operation is going to be carried on and conducted. Now, we started in here the first day of the hearing and they put a witness on the stand to tell us about their schedules and how they are going to operate. Now, I, for one, am not clear as to how they propose to run on these "hot shot" schedules. Apparently, they are going to run a schedule from San Francisco to Seattle and promise those shippers a "hot shot" and another service to Spokane and another one to the butter man in Baker, and another one into Marshfield and another one into Klamath Falls.

Now, it would appear to me that, before any more shipper witnesses take the stand, in order that we may properly interrogate them and that they may know what service to expect, that we should have this other witness back on the stand and let us find out about these "hot shot" schedules.

I move at this time that no more witnesses testify until we have a witness who can testify as to how these schedules are to be operated.

402 Mr. SCHAFER. In answer to that, I would like to state that if it should appear at a later time to give the operation which is accorded, that is a matter for the Examiner or the Commission to decide.

Now, you can't expect every shipper to talk upon the practicality of the proposed service. It is true that I have deferred some of our own witnesses in putting on some of these shipper witnesses

and our case is out of order in that respect, but if we are going to get through at Portland at all, we must put these shippers on the stand and we will thoroughly straighten out any questions in Mr. Hickson's mind.

Examiner KEPHART. You say all of the testimony of the shipper witnesses is subject to that condition if you are granted this certificate?

Mr. FARRENS. If the Board please, I want to join with Mr. Hickson in that motion. You are putting counsel for protestants at a great disability by permitting counsel for applicant to put on his testimony out of order in that way.

Let us assume that it develops that some of the things which have been promised to shipper witnesses cannot be done or which will rob the shipper of some expected benefit; we are unable to point those things out to the witness and get his conclusions about that service.

Mr. SCHAFER. I am sure that we can get him to point out, in his brief, that a witness testified under a misapprehension
403 of fact. If that develops, I will concede that this goes to the weight of that witness' testimony.

Exam. KEPHART. That is clearly understood, Mr. Farrens.

Mr. FARRENS. What counsel is now suggesting is that I substitute something in my brief which I am entitled, under the law, to have, and with no opportunity to have a day in court on that cross-examination. His only answer is that I can put it in my own brief.

Examiner KEPHART. Of course, that will be developed by the operation witnesses which will come on later.

Mr. FARRENS. We should have it now before they put on these shipper witnesses.

Chairman TERRIL. Let's complete the cross-examination of this witness and then we will determine as to the method of procedure.

Mr. BEROL. I have no questions.

Mr. ADAMS. No questions.

Redirect examination by Mr. SCHAFER:

Q. How do you understand that the proposed service will be accomplished, Mr. Waltz?

Mr. ADAMS. That is repetition. He testified he didn't know.

Mr. SCHAFER. I didn't ask him if he knew. I asked him how does he understand it.

Mr. HICKSON. As far as I can understand, every witness
404 would have a personal service—daily through service.

Chairman TERRIL. Mr. Reporter, will you read the question?

(The question referred to was read.)

Mr. FARRENS. I asked that question, and he said he didn't know.

Mr. BEROL. If he doesn't know, what difference does it make what understanding he has?

Chairman TERRIL. Do you know?

The WITNESS. No; I don't know.

Chairman TERRIL. All right, that is all, then.

The WITNESS. And I am not interested in the way the service goes; I am interested in the service to the destination.

Examiner KEPHART. That is, you are interested in the service that is held out to you as a possibility?

The WITNESS. Yes.

Examiner KEPHART. You are not a judge as to the practicability of that, are you?

The WITNESS. That is right.

Examiner KEPHART. As to the fulfillment of the promise?

The WITNESS. That is right.

Chairman TERRIL. You may step aside, Mr. Waltz.

(Witness excused.)

Chairman TERRIL. We will recess for ten minutes.

405 (Recess.)

Chairman TERRIL. Now, we have discussed with Mr. Schafer the matter of putting on their operating witnesses and he says he will have them available for the afternoon session. We will allow him to go on with his shipper witnesses until noon and then he will put on his operating witnesses immediately after the noon recess.

Mr. HICKSON. May we have the understanding that if that is done, and something develops on the cross-examination of the operating witness which requires the recalling of the shipper witnesses, that we may have the right to examine those shipper witnesses?

Exam. KEPHART. We don't anticipate that anything serious will develop, in that regard, Mr. Hickson.

Chairman TERRIL. Whatever meets the need of the particular witnesses on the stand at noon. We will allow an hour and a half for the noon recess.

Mr. SCHAFER. I will call Mr. Hurt.

CLIFFORD W. HURT was sworn and examined as follows:

Direct examination by Mr. SCHAFER:

Q. You are the traffic manager of the Western Paper Converting Company of Salem?

A. That is right.

Q. What are your duties?

406 A. I am the office manager and the traffic manager.

Q. What is the nature of their business?

A. Paper converters.

Q. What does that mean?

A. We convert paper and stock mill rolls and manufacturing rolls, too; stationery items, specialty bags, or specialty wraps.

Q. Does your firm sell its product in California?

A. Yes.

Q. At what points?

A. Well, the major points are in San Francisco and Los Angeles.

Q. And do you control the routings?

A. Yes.

Q. Do you have a branch in Los Angeles?

A. Yes.

Q. Why doesn't the Los Angeles branch supply California?

A. Well, for the simple reason that our branch in Los Angeles is very limited. We only have a bag manufacturing plant down there which consists of two machines which sometimes is not adequate to take care of the requirements.

Q. Is transit time a serious factor in your shipping problem?

A. Very much so.

Q. Why?

A. Competitive reasons more than anything else.

Q. Do you make items that go into standard stock or are
407 they special orders?

A. No, the items that we ship into Los Angeles are made up special. By that, I mean that they are printed special.

Q. And how does that affect your need for speedier service?

A. Well, to the extent that we get an order from a customer in either San Francisco or Los Angeles, and this item is printed up special, such as a meat wrap or a frozen confection wrap, and it seems as though the customers that we have never order until the last minute, and they don't anticipate their requirements, and due to the fact that we have five manufacturing competitors in the Los Angeles area, naturally we have to be as competitive as possible, so far as delivery.

Q. Are you familiar with the services which are available to you at present between the San Francisco Bay territory and Salem?

A. Of those which have made their acquaintance with us, yes.

Q. What rail service do you have?

A. Well——

Q. (Interposing.) Transit time.

A. About the fourth or fifth morning—fourth morning, I believe, into San Francisco; of course, most of our shipments, up until recently, have been shipped via water—carload shipments.

Q. Has that now been diverted to the rails?

A. That has been, now, excepting on those that are rush
408 shipments which we send by truck, of course.

Exam. KEPHART. By rail to Portland, and then by boat?

The WITNESS. No; by truck from Salem to Portland and then boat from there on. Of course, now, it is too indefinite. We don't ship that way at the present time, but the shipments that we do ship by truck are those that have to be in there immediately due to competitive reasons.

Exam. KEPHART. Do you know what the truck service is at the present time?

The WITNESS. Now, do you mean?

Exam. KEPHART. As to the time in transit.

The WITNESS. Well, we have one carrier that carries our shipments to San Francisco the second morning.

Chairman TERRIL. Speak just a little louder, if you please.

The WITNESS. Into San Francisco the second morning—Los Angeles, I believe, that it is spotted to be the third morning.

By Mr. SCHAFER:

Q. What service do you understand will be available to you if Consolidated is permitted to extend as applied for here?

A. Well, it will be through service, as I understand it, without a switch-over at Medford or Klamath Falls, and will be in and delivered in San Francisco on the second morning.

Exam. KEPHART. What do you mean by "switch-over?" Rehandling, unloading and loading?

409 The WITNESS. I am not cognizant of whether they unload their trucks or how they handle it; all I know is that there is a switch-over. That is what they call it—at Medford, I believe, generally.

By Mr. SCHAFER:

Q. Is that a distinction of whether you unload from one truck or trailer to another, or merely exchange trailers from one tractor to another?

A. Well, that is possible, but not being in the trucking end of it, I don't know how they handle that. I know there is a change at Medford or Klamath Falls.

Q. That is the service that you have presently available to you?

A. That is Consolidated's service. We have one other service which we are using that goes through by direct shipment into San Francisco.

Exam. KEPHART. What line is that?

The WITNESS. Cascade.

Exam. KEPHART. Does the Pierce Line pick-up there and take it right straight through to San Francisco?

The WITNESS. I don't know. They have never contacted me, so I wouldn't know.

By Mr. SCHAFER:

Q. Are the existing services adequate for your needs?

A. Definitely not.

Q. Have you used Consolidated Freightways to other
410 points such as Spokane or Seattle?

A. Yes; Wenatchee.

Q. Have you found their services reliable to those points?

A. Very much so; yes.

Q. What trouble have you had with the lines running through from Salem to San Francisco? I believe you just mentioned Cascade; why isn't that satisfactory?

A. Well, the main reason is personnel, as I understand it; I put a shipment on when it leaves Salem and sometimes it is hauled all over the country and it is left somewhere else and they don't advise me until my customer teletypes me and tells me about three days later or four days later that it is not there. It has been known to be left in Salem repeatedly. Their truck was highballed right straight on through which, however, is not the case during the past month or so.

Q. Have you had any trouble with other operators such as those operating from Seattle to Los Angeles?

A. I have tried one other carrier from Seattle to Los Angeles, but the objection to that was that they would get through between twelve and six o'clock in the morning, and they have no station in Salem at which we could rely upon, that they would be sure to stop. If their truck was filled, why, they go right on through.

Q. Are your products susceptible to handling damage?

A. Yes, yes.

411 Q. In what respect?

A. Well, our products are all paper and, of course, paper is easily destroyed, printing and paper.

Q. You heard the previous witnesses testify as to a preference for a through service by one carrier as compared to a joint service, insofar as it affects the speed of tracing lost shipments and so forth; you heard that testimony?

A. Yes, sir.

Q. If you were asked the same questions, would your answers be substantially similar?

A. That is right.

Q. Have you any further remarks that you wish to add as to your need for the service which is here proposed by Consolidated?

A. Well, I would like very much to see a line go through Salem that I could rely upon. We ship out practically five carloads of paper a week. Of course, that is not all truck, but we do have a great number of truck shipments which are always rush shipments. That is why we ship by truck. I would like to have it with a concern where I know that, if the shipment which does go astray, which would happen on any line, which I have experienced—if they would advise me or let me know, rather than have my customer call me and tell me that it is not there; that is the main thing that I want.

Q. Is your business growing or has it been stationary—how have you been doing over a period of years?

412 A. Well, we have been in business about seventeen years and starting in probably in the last five years our employment has jumped from 50 to 125 employees in our plant.

Q. Would the existence of a daily, dependable, through service such as the Consolidated here proposes, have any effect on the volume of your sales to California?

A. It definitely would; yes.

Q. In what way?

A. It would mean that our sales offices in these California points could promise shipments on certain merchandise—as I said before, that our rush merchandise—if we know that the truck would come through every day, we could promise that the shipment would be in there.

Q. Are you solicited by Los Angeles-Seattle Motor Express?

A. Well, our Los Angeles office was; I was not.

Q. Have you had them?

A. Once.

Q. Did you find them satisfactory?

A. No.

Q. Why not?

A. Well, the main reason, as I said before, was that they do not have a point in Salem—that is, a depot or a station in Salem that could take care of our wants there.

Q. Are you familiar with the operations of Colletti Fast Freight?

413 A. No.

Q. Have they advised you?

A. No, not to my knowledge.

Q. How about Pacific Motor Freight Line?

A. No.

Q. Mitchell?

A. Mitchell Truck has been in. I have never used them.

Q. Which line do you presently use, principally to California?

A. I am using Consolidated and some Cascade.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Is the Los Angeles market more important to you than the San Francisco area?

A. From which point—how do you mean that?

Q. From your Salem plant.

A. No; our San Francisco area, because we have our plant in Los Angeles.

Q. You do ship some to Los Angeles, however, from Salem?

A. Yes, sir.

Q. Are you experiencing any difficulties with those shipments at the present time?

A. I am not right at the present time into Los Angeles, no. The shipments we make into Los Angeles—rush shipments by truck are for stock at our Los Angeles plant.

Q. What truck line do you use for handling those shipments?

414 A. It has been Consolidated.

Q. You knew, did you not, that Consolidated renders no direct service to Los Angeles?

A. Definitely.

Q. And you used another line from San Francisco to Los Angeles?

A. No, not myself; you mean on shipments from San Francisco?

Q. To Los Angeles—do they go over a line other than Consolidated?

A. Well, we wouldn't ship from San Francisco to Los Angeles.

Q. No, but you said in shipping from Salem to Los Angeles.

A. Yes.

Q. Your shipment would go via the Consolidated?

A. That is right.

Q. So far as Medford?

A. That is right.

Q. And over another line from there, too?

A. Presumably so.

Q. To Los Angeles?

A. From that standpoint, I have always left it up to Consolidated. I have never traced their carriers.

Q. You have experienced no particular difficulty with that service in the past?

A. Well, yes—in the past. I have. I said right now that we haven't been just recently; but in the past we definitely had trouble. Our biggest trouble, as far as switch-overs,

415 has been at Medford. That seems to be where our shipments have been delayed.

Q. You understand that the extension applied for here is only from Medford to San Francisco?

A. Yes.

Q. You still would have a switch-over at San Francisco on all of your Los Angeles business?

A. Yes.

Q. Now, if I interpreted your testimony correctly, you were more concerned with your ability to have direct contact with the truck line, and have an agreeable personnel, than you were with this subject of switch-over or transfer of lading?

A. No—not definitely; of course not. I want a concern that, if there is a delay in the shipment, I want them to let me know about it—from that standpoint I am interested in personnel, yes.

Q. That was your complaint against the Cascade; that there was a delay there in shipment and they overlooked advising you of it?

A. That is one of them; yes.

Q. Well, their service, so far as the handling end of it is concerned, is better than that of Consolidated in that there was no transfer en route?

A. No, because they would leave my shipments, and it hasn't been so long ago that they have taken a shipment and left
416 it at Stockton somewhere and then taken it to Oakland and my customer had to go after it there from San Francisco.

Q. Have you had that experience often?

A. Very definitely—I have had it often.

Q. Do you recall whether you have been solicited by Pierce Auto Freight Lines?

A. No; I cannot—not recently.

Q. Are you acquainted with Mr. Clyde Spooner?

A. No—I might recognize him if I would see him, but I don't recall the name.

Q. Do you know the Pierce Auto Freight Line which has been operating in this territory for a long period of years, giving direct service from Salem to San Francisco without transfer of lading?

A. I never knew of it until I came down here.

Q. If the Pierce Auto Freight Line is giving daily service from Salem to San Francisco, without transfer of lading, would that largely meet your requirements?

A. That is what I want. I want service; yes, sir.

Q. And you are not particularly concerned with the name of the company that gives it, so long as it is reliable service?

A. I am not concerned with the company—I want a company that I know is financially able, that is not going to fold up on

us and one that we can use continuously and keep month in and month out.

417 Q. With responsibility, and the service that you are seeking?

A. Yes, sir.

Q. Do you know anything about the responsibility of the Pierce Auto Freight Line?

A. No, sir.

Q. To the best of your knowledge, you have never utilized their service?

A. Well, now—definitely not through to—that is, a direct shipment from Salem to San Francisco or Los Angeles, to my knowledge.

Q. Have you, as traffic manager of your concern, made any search for a better service than you have been getting through Consolidated and in connecting carriers?

A. Not other than Cascade; no.

Q. You have made no inquiry to determine whether there was better service now in existence?

A. No—I—no; I have not.

Q. Have you made any complaint to the Consolidated Freight Lines that their service was not satisfactory?

A. Yes.

Q. You have?

A. Yes, sir.

Q. How recently?

A. About a month ago, I believe.

Q. And would you mind stating what the nature of that

418 complaint was?

A. Well, it was a complaint that the shipment was lost.

Q. It wasn't a question of mishandling or damage, but loss of the shipment?

A. It was the loss of the shipment; yes, sir.

Q. You have not had occasion to complain that their service to San Francisco was too slow?

A. Yes, yes; it is too slow when it is held up.

Q. How recently; or have you complained to them their service to San Francisco was too slow?

A. Well, probably about a month or six weeks ago. We switched most of it back over to Cascade.

Q. When did you discontinue using boat service for your product to California points?

A. Well, we discontinued into Los Angeles probably—well, I have shipped one car into Los Angeles by boat in the last year.

Q. Over how long a period of time did you patronize boat service to California points?

A. A year's time, I would say—five or six years, probably.

Q. And you found that service reasonably satisfactory?

A. On those shipments that we did not have to get in immediately, yes; and those shipments that we had plenty of time to make delivery on.

Q. I assume that cost was a factor which influenced the use of boat service?

419 A. Yes.

Q. And at that time you shipped a substantial portion of your output by water, did you not?

A. Yes, sir.

Q. And that involved, originally, truck handling at Salem to the Salem dock, handling again from the dock on to the steamer "Northwestern," and handling again from the steamer "Northwestern" to the McCormick Dock in Portland?

A. No; not the "Northwestern."

Q. Not the "Northwestern"?

A. It was brought in from Salem to Portland—years ago; that has probably been eight years or nine years ago since we shipped by water from Salem.

Q. But you did handle your shipments, originally, in that way?

A. Well, those that we had time on; yes, sir.

Q. And then, subsequently, your shipments were handled by Salem Navigation Company, largely, from your plant to the dock in Portland, handled across the dock into the steamship, and from the steamship to the dock in San Francisco, and by truck from the San Francisco dock to your destination?

A. Yes, sir; those, that as I said and have repeated, those that I had plenty of time to make shipments on.

Q. And you found that entirely practical on shipments where time was not an element?

420 A. That is right.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Hurt, were you here yesterday when Mr. James testified as to the proposed service between San Francisco, on the one hand, and Medford and Portland on the other?

A. No; I was not.

Q. What is your understanding as to the service which will be rendered to you from Salem, to San Francisco?

A. You mean by Cascade?

Q. No; by Consolidated under this proposal.

A. On Consolidated—it is my understanding that I will definitely have my shipments into San Francisco the second morning, and that that probably will be bettered, and that there will not be a change-over by any connecting carrier.

Q. What time will the shipments be picked up in Salem, going south-bound, to San Francisco?

A. They are generally picked up in the evenings.

Q. Would that be true also under the proposal?

A. To my knowledge, it would be.

Q. And delivery, then, would be made in San Francisco the next morning?

A. The second morning.

Q. That is your understanding?

421 A. Yes, sir.

Q. And do you have that understanding from conversations which you have had with Consolidated representatives?

A. Yes.

Q. Have you been given to understand also that the truck which served you would likewise serve all of the stations on local service between Medford and Salem?

A. Yes, sir.

Q. Do you have any idea how many such organizations there are?

A. No.

Q. And if I advised you that there were better than 30 of them do you think it would still be a fast service which would permit that delivery in San Francisco?

A. Well, I would say that I was just going on what they advised me that it would be second morning; I don't know how many stops they will make; but that is immaterial to me, as long as it gets in the second morning.

Q. The second morning is sufficient for you?

A. Yes, sir.

Q. If I advised you that an exhibit which has been prepared and put in here, now shows that their service is second morning at this time, and they propose first morning service would that differ from what has been your understanding of what is proposed?

A. Well, that would be that much better for me; yes, sir.

422 Q. But you had no such understanding as that?

A. I just said that they gave me to understand that they could get it in the second morning, with a possibility of bettering it.

Q. And it isn't your understanding that they are getting it in second morning now?

A. Yes.

Q. They are getting it in second morning now?

A. Yes.

Mr. SCHAFER. This has been in the record at least five times in the last five minutes.—Now, how long are we going on with this?

Mr. HEDGES. Mr. Schafer, if you are objecting, you should address the Board.

Mr. SCHAFER. Well, if the Board please, I am objecting to repetition on the part of this witness.

Mr. HEDGES. I have sufficient answer to my questions.

Exam. KEPHART. And you understand that what is proposed is that it would eliminate all interchange at Medford, is that correct?

The WITNESS. Yes.

Exam. KEPHART. And that is the thing you are complaining about, is that supposed unloading and reloading at Medford?

The WITNESS. Yes, sir.

By Mr. HEDGES:

423 Q. Do you have any knowledge of the equipment which your shipments are loaded into for transport to San Francisco, and do you know whether that equipment physically goes through to San Francisco at the present time?

A. Well, at the present time I understand there is a trailer that—now, you are speaking of Consolidated, are you?

Q. Yes.

A. I understand that there is a through trailer but just—that they switch, I believe, at Medford or Klamath Falls to some connecting transportation.

By Exam. KEPHART:

Q. If the trailer goes through, would that eliminate your complaint if it goes on through without unloading and reloading?

A. You mean when it connects with a connecting carrier?

Q. When the trailer simply would be detached and go right on.

A. Of a different company?

Q. A different company, but so long as it was kept in motion.

A. I would rather that it go through with the same concern.

Q. Why?

A. Well, for more reasons that one, probably, but the main reason is that if it is lost, I can go after Consolidated and forget about it. There would not be another carrier to take into consideration.

Q. Well, if you went to the receiving carrier, you wouldn't worry about the other carrier, would you, as long as the receiving carrier gave you your answer promptly?

424 A. That is just it, if the receiving carrier would give me my answer, but when he gets way down South, I don't always get the answer I would like to have.

By Mr. HEDGES:

Q. Did you understand that the Consolidated and its connecting carriers, and the Oregon-California-Nevada Fast Freight are in the same terminal in Sacramento?

A. No, sir.

Q. And are in terminals very close together in the bay district?

A. No, sir.

Q. And that both of them have representatives down there at the present time?

A. No, sir.

Q. Have you had to contact the second carrier in cases where losses have occurred?

A. Very often our San Francisco office has.

Q. And you haven't had satisfaction from the carriers with whom you have been shipping?

A. I have had a direct shipment go through with Cascade,—a direct shipment, that our San Francisco office would try to find out something about it on the other end and they would know nothing about the shipment.

Q. How about Consolidated and Oregon-Nevada-California?

A. They have always been kind enough to trace the shipment for me the minute I told them about it.

425 Q. Consolidated has always done that?

A. Yes, sir.

Q. And you have had prompt service from them?

A. Yes, sir.

Mr. HEDGES. That is all.

Cross-examination by Mr. YOUNG:

Q. Are you familiar with the service rendered by Pacific Truck Express to San Francisco?

A. Two or three weeks ago I believe; he was very indefinite at the time. Whether it was Oregon-Nevada-California—I am not too familiar with it.

Q. Have you ever actually used the Pacific Truck Express?

A. I believe we used them once, about a year ago, but I wouldn't say definitely.

Q. How did you happen not to continue using it, do you remember?

A. Well, it is a case of where the boys that call on me and take interest in getting the business are the ones that get the business and give me the service.

Q. Did you know that through the Pacific Truck Express you could get through service from Salem to San Francisco?

A. I didn't know it until I came here.

Mr. YOUNG. That is all.

Cross-examination by Mr. ADAMS:

426 Q. I take it from your responses—do you know that Oregon-Nevada-California Fast Freight connects with Consolidated presently at Medford and hauls your shipments on from Medford to San Francisco?

A. Well, I know that they take it on; I don't know how far they go with the shipment. I am *lead* to believe that on those shipments that we have into Sacramento—which are always shipments for frozen confections—that it must be there on a promised time—that they may go Oregon-Nevada-California to Sacramento, but I don't know how it goes on from there.

Q. Did you know that they have an application pending by which they may be able to give you through service from Salem to California points?

A. Yes, sir.

Q. All you are looking for is service?

A. Service; yes.

Q. Well, you wouldn't have any objection to Oregon-Nevada-California Fast Freight, would you?

A. No.

Q. And you would support their application, the same as you are supporting this one?

A. I would if I knew the organization, yes.

Q. And providing it is a responsible carrier?

A. If it is a responsible carrier and would give me the consideration, yes.

Mr. ADAMS. That is all.

427 Mr. SCHAFER. I have no redirect examination.

Chairman TERRIL. Thank you.

(Witness excused.)

Mr. SCHAFER. Mr. Compton.

THOMAS L. COMPTON was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name for the record please, Mr. Compton?

A. Thomas L. Compton [spelling].

Q. You are traffic manager for the Pacific Wax Paper Company at Seattle?

A. Yes, sir.

Q. Is that a Seattle firm?

A. Yes, sir; owned and operated in Seattle; it is a Seattle-owned concern.

Q. Do you have any offices or branches in other places?

A. San Francisco, Los Angeles, Salt Lake, Denver.

Q. What does your company produce?

A. Wax wrapping paper—principally bread wrappers.

Q. Do you sell those products in California?

A. Yes, sir; the bulk of our business is in California and Arizona.

Q. About what is the volume of your business between Seattle and California?

428 A. Well, in the San Francisco area we have divided it into two districts, Los Angeles and San Francisco; San Francisco averages 30,000 to 50,000 pounds a week. Los Angeles and Phoenix run about twice that much.

Q. What is the nature of the product which you produce, can you describe it please.

A. Well, it is wax wrapping paper, printed to specifications for bakers that forms the bulk of our business.

Q. Is each order tailor made?

A. Each order is printed to specifications.

Q. It is not saleable to any other person except the buyer?

A. Well, we have some stock patterns but the majority of our business is not saleable to any other baker. It is printed especially for one baker.

Q. Now, do you have competition in this California territory?

A. We do. We have competition. There is a plant in Oakland and also one in Los Angeles.

Q. Is the transit time between Seattle and San Francisco a factor which you take into consideration in your business?

A. Definitely. That is one of the first things that our sales force runs up against, is that we can not deliver. They figure that it takes at least two weeks or three weeks to get it. It is a thing that we will have to overcome.

Q. Are you familiar with the service which Consolidated is here proposing to render?

429 A. I believe that I am; yes.

Q. What is your understanding?

A. My understanding is that there will be direct service of one carrier, direct from Seattle to San Francisco.

Q. What time in transit do you expect?

A. Second-day delivery.

Q. What service do you have now between Seattle and San Francisco by rail, l. c. l.?

A. Fourth day.

Q. And by truck?

A. Third—promised as third and sometimes—I had a ship-

ment not long ago that the connecting carrier held over three days between Modesto and San Francisco.

Q. Have you dealt with Consolidated Freightways to other points than San Francisco—have you ever used Consolidated Freightways to other points?

A. Yes.

Q. Have you found their service dependable?

A. Yes, sir; I have.

Q. Would you expect a one full day's saving in transit time to have any effect on the volume of your sales in California?

A. Definitely, yes.

Q. What—why is that?

A. Well, it is that we can make a definite promise of delivery and, if delivery of those promises are kept, naturally busi-
430 ness would increase because our competition is in that locality.

Q. You have heard the testimony of these previous witnesses with respect to a preference for a through one-line service as compared to a service of connecting lines?

A. Yes.

Q. And if asked the same questions, would your answers be the same?

A. Yes, sir.

Q. Is wax paper susceptible to damage?

A. Yes.

Q. In what way?

A. Well, mostly in handling—transferring from one truck to another, and it is something that has to be handled very carefully for the simple reason that the rolls are wound tight and if allowed to drop with any force at all, it would break the edges of the rolls.

Q. Do you consider the existing services adequate for your needs?

A. No, sir.

Q. What motor carrier has solicited you for your San Francisco tonnage out of Seattle?

A. Well, there has been Colletti and Los Angeles-Seattle are the only ones.

Q. And you have used their services?

A. I have used Colletti. I have used Los Angeles-Seattle
431 a few times, and I have had some—at one time I had it—fish was set on top of the paper and broken open and ran down over it and it wasn't necessarily so much that as it was that they did not notify our office and this was going to Honolulu. Now, I could have forgiven them for the fish over

there if they had only notified our office that it had happened; but it was to be transferred from their line to the boat leaving two days after that and until the transfer company that had left it off and hadn't said anything about it, notified our office at Los Angeles, which was the day before sailing, we didn't know anything about it.

Q. Did the merchant receive the goods in that instance—the consignee?

A. They were shipped to Honolulu and at the present time we haven't had time to find out whether they accepted them or whether they arrived or not. They had to be recrated and shipped over there.

Q. Was that bread wrappers?

A. Bread wrappers; yes.

Q. Do you think there is a possibility of objection from your customer?

A. Well, there is; yes. If they have the smell of the fish on the bread, that would be bad.

Mr. SCHAFER. You may cross-examine.

By Exam. KEPHART:

342 Q. Is that your first order from that Honolulu firm?

A. No, sir; we move upwards of, say, an average of five carloads a month.

Q. Over there?

A. Yes, sir.

By Chairman TERRIL:

Q. Mr. Compton, this 30,000 to 50,000 pounds a week that you move to San Francisco, how much of it moves by truck at the present time?

A. Well, at the present time it is on an average of I would say a carload a week of 30,000 pounds.

Q. Does it all move by truck?

A. It moves by truck or rail.

Q. What I am trying to get at—approximately how much of it, on the average, moves by truck?

A. Approximately 30,000 pounds by truck.

Q. Well, you testified that your capacity was about 50,000 to San Francisco, is that correct?

A. Yes; that is l. c. l. shipments alone.

By Exam. KEPHART:

Q. You say you can get about 30,000 pounds on one truck?

A. Well, I wouldn't say how much we can get on one truck because we don't always ship that much by one truck. It usually runs anywhere from small shipments up to five or ten thousand pounds.

433 Cross-examination by Mr. CLUMPNER:

Q. Do you know the Pacific Refrigerated Motor Line, Mr. Compton?

A. I didn't until you spoke to me a couple of weeks ago and you were going to call on me and you did not do that—so I didn't know whether it was still in existence or not.

Q. You have never tried our services though, have you?

A. I have never had any chance.

Q. Well, our rate is higher than Colletti and Seattle.

Mr. SCHAFER. Now, just a minute; confine your questions to questions and if you wish to take the stand and testify, that will be all right.

By Mr. CLUMPNER:

Q. You have never tried our services, have you?

A. No.

Mr. CLUMPNER. That is all.

Mr. BEROL. I wonder if he has advised the witness that his line also hauls fish.

Mr. CLUMPNER. He has already stated that it doesn't hurt the bread wrappers.

The WITNESS. Well, gentlemen, to clear that up, if I may—possibly Consolidated will haul fish, but it was the idea that they left the bread wrappers at the depot and didn't say anything about it.

434 We shipped them down there with the idea of catching a boat because we couldn't get another boat out of Seattle for three weeks.

Cross-examination by Mr. ELLIS:

Q. Do you ship by truck to the Los Angeles area, as I understand it?

A. Yes.

Q. And your shipments there are about double those to the San Francisco area?

A. Well, not by truck; no. Strange as it seems, our San Francisco l. c. l. shipments in truck are more than in the Los Angeles area for the simple reason that it seems to be that our customers in San Francisco want deliveries made right now.

Q. They are in a bigger hurry than your Los Angeles customers?

A. Yes; apparently they are.

Q. You have had no particular complaint from your Los Angeles customers about a delay in your shipments, have you?

A. Not from Los Angeles; no.

Q. Well, have you had any serious complaints from your San Francisco trade that you were too slow in reaching them?

A. Yes.

Q. Are those complaints frequent? are they rare?

A. Well, they are quite frequent.

Q. Do you have competition in the Seattle area from producers of similar products in Los Angeles and San Francisco?

A. Well, no; for the simple reason that our competitor has a plant in Portland, so that he wouldn't be shipping merchan-
435 dise from Los Angeles or San Francisco.

Q. But your Portland competitor is at a natural disadvantage with you in the Puget Sound area because of the distance between Portland and Puget Sound?

A. Well, naturally he would be; yes.

Q. And you don't expect the transportation agencies to eliminate all of those disadvantages of distance, such as are naturally inherent in your location on Puget Sound?

A. Well, there are certain disadvantages that you can't expect a carrier to eliminate. They always will exist, but we have no direct service to California whatever from Seattle. There is no truck line that I know of that runs direct from Seattle without changing to San Francisco.

By Examiner KEPHART:

Q. Changing at San Francisco?

A. Changing between here and San Francisco. There is no direct line that I know of that runs direct into San Francisco.

Q. From Seattle?

A. Yes.

By Mr. ELLIS:

Q. Isn't it true that Colletti's Fast Freight offers direct service?

A. No, sir.

Q. The Los Angeles-Seattle Motor Express offers direct service, don't they?

A. No.

Q. They haven't offered you any?

436 A. They claim that they have the same set-up as Colletti, that they can go in there with an aggregate of 10,000 pounds but nothing less.

Mr. ELLIS. That is all I have.

Cross-examination by Mr. HEDGES:

Q. Mr. Compton, do extreme temperatures of either heat or cold affect your product while it is in transit?

A. Yes.

Q. Which affects it more?

A. Heat.

Q. How about cold?

A. Cold does not affect it.

Q. How much heat does it take to affect it in transit; approximately?

A. Well, that—I wouldn't be able to say that; it is enough heat to cause paraffine to soften.

Q. Would it be enough so that your product would require refrigeration of any kind?

A. Well, in carloads, we do have refrigeration in the summertime—Iced cars.

Q. How about the trucks—do you ordinarily request or require refrigeration?

A. No; as I have been informed by Los Angeles and by Colletti, that all of their trucks are kept down. They tell me that they put ice in barrels or brine in the trucks and they are kept
437 down, not to a freezing temperature, but to a normal temperature.

Q. As long as a piece of equipment is insulated and refrigerated in some reasonable manner, that would suit your requirements, wouldn't it?

A. Yes.

Q. It wouldn't require any extreme temperatures such as 10 above zero and things like that?

A. No.

Mr. HEDGES. That is all.

Chairman TERRIL. Is there any further cross-examination of this witness?

Mr. BEROL. Yes.

Cross-examination by Mr. BEROL:

Q. Mr. Compton, where do you ship more to—the San Francisco area or to the Los Angeles area?

A. Well, it is just about a 50-50 split. We serve northern California and points of Nevada from San Francisco.

Q. I take it your principal requirement is faster time than is available to you at the present time?

A. That is it; yes.

Q. What morning or what delivery or what time in transit do you enjoy between Seattle and San Francisco now?

A. Well, the best available time that I know of is three days.

Q. And what do you expect to get under the proposal here?

A. Two days.

438 Q. When, or what time of the day are your commodities picked up or will they be picked up under this proposal?

A. Well, I presume it will be the usual time of all pick-ups there—around four o'clock.

Q. And suppose it is picked up at four o'clock Monday afternoon; what day do you expect that to be delivered in San Francisco?

A. Well, if it is picked up on Monday, I would expect it to be delivered in there Wednesday.

Q. Wednesday. Now, have you been advised that the Oregon-Nevada-California Fast Freight has an application pending between San Francisco and Portland?

A. No; I have not.

Q. Now, supposing that that carrier offered a similar service in connection with a carrier between Portland and Seattle by which trailers were run through from Seattle to San Francisco, offering a Monday pick-up in Seattle and a Wednesday pick-up in San Francisco; would that meet your requirements?

A. Do you mean if the product was picked up at our manufacturing plant and delivered in San Francisco?

Q. Yes.

A. Well, that is the main thing that I am after now; that is it.

Q. Now, have you any particular preference between carriers; as to what carrier renders the kind of a service you want?

A. None at all; they are all the same to me, as long as
439 they render the service.

Q. It would make no difference to you whether the application of the Consolidated Freightways or the Oregon-Nevada-California Fast Freight were granted?

A. Well, to this extent: That we do a considerable amount of business with the Consolidated Freightways, and naturally it would be human nature to prefer the Consolidated Freightways to any other line.

Q. Merely by reason of the fact that you are doing business with them?

A. That is it.

Q. Well, what you are concerned with is a responsible, dependable carrier?

A. That is right.

Mr. BEROL. That is all.

Redirect examination by Mr. SCHAFER:

Q. In case of damage to a roll of wrapping paper, how much salvage is there on that?

A. Well, there would possibly, in some cases—it would just be a matter of scrap. Unless we could take the damaged paper off and get the customer that it is printed for to take it. We couldn't sell it to anyone else, unless we probably got a call for it in some other area where the man wrapping bread wouldn't have the same brand that this man we are selling to. For in-

440 stance, we couldn't sell to someone else in Portland that the customer has had printed, even if he used it for a misprint or something like that.

Q. In what way is it damaged?

A. Well, mostly from setting down on the edges and cracking the edges of the paper. It is wound very tight and these wrapping machines pull the paper off, rather than rolling it off, and if there is just a tiny crack in the edge of the paper, it will tear it; and that means that every revolution of the roll, where this paper is broken, that the paper will tear. Also, there is a wood plug in the center, and if it is driven in to any extent, when it gets down inside the roll, it begins to break the same.

Q. Do you have any occasions when you have to catch a boat for the islands?

A. Well, yes; quite frequently. I would say that possibly once a month on shipments.

Q. Would the availability of a 24-hour service make any difference to you in the operation of your plant at all?

A. Yes.

Q. In what way?

A. Well, insofar as—we set up on a run of printing jobs for a man and some other customer discovers suddenly that he is out of merchandise and that he has to have it within the next day or so—if we have a service that we can get into, say, San Francisco

441 in two days, we will possibly go ahead and finish up the run that we are on and still serve this customer in San Francisco within two or three days. Otherwise it means a tear down of the machines, taking off all the plates and set up again for printing, which runs around a seven-hour job.

Mr. SCHAFER. That is all I have. Thank you.

Chairman TERRIL. You may step aside, Mr. Compton. Thank you very much.

Mr. SCHAFER. Thank you very much, Mr. Compton.

(Witness excused.)

Mr. SCHAFER. Mr. Williamson.

EDWARD B. WILLIAMSON, was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name for the record, please?

A. Edward B. Williamson.

Q. What is your business?

A. Bearing sales and service, Seattle.

Q. And what is the nature of their business.

A. Ball and rolling bearings and leather oil seals—jobber.

Q. And what is your title with that firm?

A. President.

Q. President. Do you sell or buy from California—San Francisco bay?

442 A. We buy from California, from San Francisco.

Q. About what is the volume of your purchases from San Francisco?

A. Really, I couldn't say as to the tonnage or the weight. It wouldn't run into tons. Our stuff is very expensive. A 100 pound shipment would probably be worth $1,000.

Q. Is time a factor which you consider in selecting a carrier between San Francisco and Seattle?

A. Yes.

Q. Are you familiar with the present services available to you from San Francisco to Seattle?

A. Well, the best service we have been able to get is three days, but generally four days or five days. I won't say generally, but often.

Q. Is that rail service or truck service?

A. Truck service.

Q. Do you know what the rail service is?

A. No; we don't use it.

Q. Now, you have heard the testimony of some of these previous witnesses with respect to a preference for dealing with a through carrier as compared with a service of connecting carriers insofar as their dealings pertain to tracing Los Angeles shipments and investigating damages and so forth. If you were asked the same questions, would your answers be substantially similar?

443 A. Just the same.

Q. Do you understand what the service is that Consolidated Freightways proposes to render here?

A. I understand that we will get two-day delivery in Seattle from San Francisco.

Q. Have you any general statement to make with respect to your needs for such a service?

A. Yes; quite often we have to make an Alaskan boat and too many times we have missed these boats, which really is a delay as far as our Alaska customers are concerned, and sometimes ties up a lot of machinery. We have also had it happen many times in Seattle when we have assured them of third day delivery and it has been the fourth and fifth day, on several different occasions.

Q. Have you had any experiences with shipments coming in short or lost?

A. We haven't—not that I can recall. We probably have, but I can't recall of any offhand right now.

Mr. SCHAFER. You may cross-examine.

By Chairman TERRIL:

Q. Mr. Williamson, in number of shipments, how many would you have in a week or a month from San Francisco to Seattle?

A. Three or four.

By Exam. KEPHART:

Q. A week or a month?

444 A. A week.

Chairman TERRIL. Cross-examine.

Exam. KEPHART. In 100- or 200-pound lots?

The WITNESS. It sometimes varies; it might run 200 or 300 pounds and it might run 25 pounds.

Cross-examination by Mr. ELLIS:

Q. Do you ever use air express in connection with your rush shipments?

A. Yes.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Williamson, how often do these emergency shipments occur that you spoke of, where you have to meet a boat or get a shipment out of San Francisco, or a part out of San Francisco, for some piece of machinery up in your territory?

A. Well, of course, we have orders from Alaska every week. In every mail we have Alaska orders.

Q. Are all of those orders that come out of Alaska filed out of San Francisco or out of Seattle stock?

A. Oh, we have a stock in Seattle. You see, we carry a perpetual inventory. Our goods are rolling all the time.

Q. How often do you require this emergency service that you spoke of?

A. Oh, I wouldn't want to say.

445 Q. Is it every week?

A. No; it wouldn't be every week. That is a pretty hard question to answer.

Q. I understand also that your shipments, you say, are ordinarily valued at about $10 a pound?

A. Something like that.

Cross-examination by Mr. YOUNG:

Q. Do you use railway express service?

A. We have used it between Los Angeles to Portland.

Q. Have you ever used it to California points?

A. We have used it for some points.

Q. Is it a satisfactory service?
A. It is rather expensive.
Mr. YOUNG. That is all.

Cross-examination by Mr. HICKSON:

Q. Mr. Williamson, do I understand that you are basing your testimony upon the assumption that the applicant will be able to maintain a daily schedule into San Francisco and out of San Francisco?
A. That is my understanding.
Q. And if it did not maintain a daily service to and from San Francisco, the service would not be of any particular value to you, would it, over existing transportation facilities.
A. Frankly, what we are most interested in is knowing when our goods are going to be in.
446 Q. I am asking you now, if Consolidated, if it is granted this certificate, did not or could not for any reason maintain a daily service or schedule to or from San Francisco, would the service be of any particular value to you over and above the service you are now receiving?
A. Yes; I believe it would.
Q. In what way?
A. Well, if they came every other day, we would still get it faster than we have on many occasions.
Q. You mean to say that you could skip a whole day and still get better service than you are now getting between Seattle and San Francisco?
A. Generally, yes—truck service.
Mr. HEDGES. That is all.

Cross-examination by Mr. BEROL:

Q. Do you know, Mr. Williamson, about the application pending by the Oregon-Nevada-California Fast Freight?
A. I didn't know until I walked in the room a few minutes ago.
Q. Have you learned something about it since you came here?
A. Yes.
Q. Now, do you understand that under that application there is a service offered between Seattle and San Francisco that is a two-day service?
A. That is what I understand.
447 Q. Would you have any objection to that kind of a service?
A. No, sir.
Q. Would you like to see both applications granted?
A. Competition is a pretty good thing.

Q. Would it be your position before this Commission that full competition should be preserved?

A. I don't know why not. I get it.

Mr. BEROL. I think that is all.

Redirect examination by Mr. SCHAFER:

Q. Mr. Williamson, is it your understanding that the service will be daily between California points and Seattle?

A. That was my understanding.

Mr. SCHAFER. That is all.

Exam. KEPHART. That is all?

Chairman TERRIL. That is all, Mr. Williamson.

Mr. SCHAFER. Thank you.

(Witness excused.)

FRANK D. KIMSEY was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name please?

A. Frank D. Kimsey (spelling).

Q. And you are with the Sperry Flour Company at Tacoma, Washington?

448 A. That is right.

Q. You are district manager?

A. That is right.

Q. And will you describe your operations at Tacoma?

A. We are operating a flour milling and feed mill plant, with a daily capacity of about 5,000 barrels a day.

Q. Does that operation use a large amount of bags?

A. Yes, it does.

Q. Where do you get the bags?

A. We intend that——

Q. (Interposing.) Where do you get the bags at the present time?

A. They are purchasing the bags from their own connections at Vallejo, California.

Q. That is their own bag factory at that point?

A. That is their own bag factory.

Q. Is transit time between that Vallejo bag factory and your Tacoma plant a factor which you take into consideration when selecting a carrier?

A. Yes; it is a great factor.

Q. Why is that so?

A. Because most of the bags—they are ordered—I am speaking now about moving auto freight, of course.

Q. Yes.

A. They are rush. If we can't secure a bag out of our
449 Vallejo plant in at least two days to three days' time, it means that we have to purchase our bags from an outside bag company.

Examiner KEPHART. Why are so many of the orders rush?

The WITNESS. The Tacoma plant principally is an export plant. In other words, we are operating on an commodity that is of an export nature and takes an export imprint on the bag, and those orders are allocated out of our general office in San Francisco, only allowing enough time to set your mill up, receive your bags and go to work.

Examiner KEPHART. It doesn't allow you much time to anticipate, then, your orders for the bags?

The WITNESS. That is true.

By Mr. SCHAFER:

Q. Are the bags made to order?

A. They are made to specification; yes.

Q. Are you acquainted with your present transportation facilities between Vallejo and Tacoma?

A. Yes, I am.

Q. Will you describe them please?

A. Well, in some cases we have used rail express, expecting third morning; by auto freight we expect third morning and we often get fourth. Railway, we usually get fifth or sixth; both about seven days, we usually figure.

Q. Can you afford to pay express rates on your bags?

A. No, sir; we cannot, except when we were trying to meet
450 a boat with an export order. We have found it advisable sometime to spend as high as $5.17 against $1.09 to get those bags up there to fill the order. In other words, if we have boat—if you must put it on a boat—these days you fill the order at any cost.

Q. Do you find the present facilities between Vallejo and Tacoma adequate for your needs?

A. It has been in the past. However, we have offered a good many objections at times and it took too long to make shipments and we certainly would be interested in improved service and that is why we are here now.

Q. Can you give any actual examples of failures in the present service which have operated to your loss or detriment?

A. Oh, we have several that have happened. I believe in June we had several—one in particular covered from—covered some inserts that we were shipping out of San Francisco—a particular coupon that goes in a sack of flour, and unless you have it there, you have to resack your flour, after it does come. It seems like

this was held two days over and because the flour was set up to run out of the mill at a certain time and the inserts weren't there, they had to run the flour, and then resack after the inserts were received, and it cost—I think it was 250 barrels at ten cents a barrel, $25 on account of the delay. I think there was another occasion in June where we had some bags that, as near as I can find
451 out, they were delayed two days in Oregon and California's platform for some reason which we haven't been able to determine yet. There has been too much buck passing in the whole thing.

Mr. BEROL. You mean between Consolidated and Oregon-Nevada-California?

The WITNESS. Yes.

Mr. BEROL. It is so stipulated.

By Mr. SCHAFER:

Q. Now, you have heard the questions which were asked of previous witnesses with respect to their preference for a one-line through carrier as compared to connecting carriers. If asked the same questions, would your answers be the same?

A. Yes; I believe they would.

Q. Is buck passing one of the reasons why you like to deal with a carrier which is responsible all the way through?

A. That is right—that is true.

Q. In case you have to fill your bag orders locally around Seattle, does that make any difference in the cost to you?

A. Yes; it makes considerable difference. If an order comes in and we realize that, due to the present service—auto freight service—we would be unable to fill the order, it means that we would have to purchase bags either from Portland or from Seattle from one of our bag competitors. As long as we are operating a bag factory of our own, of course, we want to furnish all bags from that factory.

452 Q. What is your understanding of the service which will be offered to you by Consolidated Freightways?

A. I understand that it is second morning delivery from San Francisco.

Q. That is a daily service?

A. That is a daily service.

Q. Is your business growing any?

A. I imagine that it is. I have no figures.

Q. How long have you been there?

A. I have been there four years.

Q. Has it increased any since you were there, the general volume of business?

A. Yes; the general volume has.

Q. Is it a gradual and substantial growth?

A. It seems so.

Mr. SCHAFER. If the Board please, I am eliminating some routine questions here in the interest of saving some time.

By Mr. SCHAFER:

Q. Have you used Consolidated Freightways in the past?

A. Yes, sir; we have.

Q. Between other points?

A. Yes.

Q. Have you found their services satisfactory and dependable?

A. Yes; we have.

453 Q. Are the inconveniences you suffer by reason of the slow service from Vallejo merely occasional or do they occur with frequency?

A. They occur, I would say, quite frequently.

Q. Quite frequently?

A. Yes. That is, we have these daily shipments coming up and maybe twice in one week you will have reason for complaint, and maybe again we will have reason to complain three times a week.

Mr. SCHAFER. You may cross examine.

Cross-examination by Mr. ELLIS:

Q. As I understand your testimony, you have used the service of Consolidated Freightways in the past and found it satisfactory. Now, whose service are you complaining about here today?

Mr. SCHAFER. Now, just a minute. You didn't understand the question right. He said between other points. That was the answer.

By Mr. ELLIS:

Q. Then, will you answer my question: Whose service are you complaining about?

A. I am not particularly complaining of any service today.

Q. Your company has plants in San Francisco and Portland, as well as Tacoma, have they not?

A. That is true.

Q. And that probably accounts for the fact that you have

454 a bag plant on San Francisco bay?

A. That is true.

Q. You could eliminate a lot of that difficulty on your rush shipments if you had a bag plant at Tacoma, couldn't you?

A. Definitely—that is, for Tacoma. Then your problem would be the same for Ogden or Los Angeles.

Q. So far as your major shipments are concerned, they are taken care of out of these local plants at the principal terminals?

A. That is right.

Q. Your difficulties, such as they are, have been entirely in connection with bag shipments and labels and rush orders and things of that kind?

A. Yes; that is right.

Q. Do you ever use water service?

A. Yes, you bet.

Q. Do you use that in connection with the shipment of bags from your San Francisco bay plant?

A. Yes, sir; we do. That is regular stock bags.

Q. What is the factor that induces you to use water service?

A. The 31-cent rate.

Q. Do you ever use air express?

A. Yes; we have.

Q. And you sometimes use railway express?

A. That is true.

455 Q. Do you pay more for air express than you do for rail express?

A. Yes; we do.

Q. Why?

A. Because it is a faster service.

Q. Do you pay more for rail express than you do for water service?

A. Yes; we do.

Q. Why?

A. Faster service.

Q. Are you willing to pay more for two day service by truck than you are for three?

A. If there was that service; yes.

Q. You would pay a premium for it?

A. We would pay a premium for it. We would be willing to do that.

Cross-examination by Mr. YOUNG:

Q. Mr. Kimsey, is the bag plant you have been referring to in Vallejo or South Vallejo?

A. South Vallejo.

Q. How far apart are Vallejo and South Vallejo?

A. I couldn't tell you that. I have been there once, but it is vague in my mind. I couldn't tell you for sure.

Q. You have testified that on rail shipments from Vallejo to Tacoma, that the time was normally four days to five days?

456 A. That is right.

Q. When you are saying four days to five days, is your starting point for computation the date you placed the order or the date the shipment starts?

A. The date the shipment starts from the plant.

Q. That is actual time in transit?

A. That is actual time in transit. Of course, I understand in Oakland they transfer it to meet another carrier.

Q. There is one transshipment there?

A. That is true.

Q. Now, are the rail shipments you send from Vallejo to Tacoma, in carload lots or less than carload lots?

A. The ones I am speaking of now are l. c. l.

Q. To what extent do you have carload lots that are shipped by rail?

A. Well, that is another subject—we ship considerable.

Q. Well, could you indicate what proportion or part of your shipments are carload lots by rail?

Exam. KEPHART. In tonnage, you mean, Mr. Young?

Mr. YOUNG. Pardon me?

Exam. KEPHART. In tonnage.

Mr. YOUNG. Is your unit of shipment in tons or pounds.

The WITNESS. It is tonnage.

By Mr. YOUNG:

Q. Well, in tonnage then.

457 A. I would say that the l. c. l. movement—that is express, auto freight; l. c. l. rail—that would be about ten per cent of the movement. It wouldn't be any more than that.

Q. Now, is your carload rail service satisfactory?

A. Our carload; yes.

Mr. YOUNG. That is all.

Cross-examination by Mr. BEROL:

Q. Mr. Kimsey, you are aware of the application of the Oregon-Nevada-California Fast Freight, are you not?

A. Yes.

Q. Has your company given that any attention?

A. Yes.

Q. And is it the intention of your company to support that application as well as this one?

A. I understand that to be a fact.

Mr. BEROL. That is all.

Redirect examination by Mr. SCHAFER:

Q. Now, in response to Mr. Ellis' question, you stated that you were not complaining about any of the existing service or any particular existing service. Did you mean by that, that you are satisfied with the existing services?

A. No; we are not satisfied with the existing services but we did not come down here to complain against Consolidated or Oregon-Nevada-California as to the service they were furnishing.

We came down here to ask for a faster service if it
458–494 was available.

Mr. SCHAFER. That is all.

Chairman TERRIL. Have you one more witness that you can put on as rapidly as you have this one?

Mr. SCHAFER. I think so.

Chairman TERRIL. All right. Let's have him.

(Witness excused.)

J. B. W. DUNCAN was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. State your name for the record please?

A. J. B. W. Duncan (spelling).

Q. And you are from Seattle?

A. That is right.

Q. What is your connection in Seattle?

A. Traffic manager for Bemis Bros. Bag Company.

Q. Is that a Seattle bag concern?

A. It is a national organization.

Q. And what interest do you have in Seattle-San Francisco service?

A. Well, our company really has no interest clear into San Francisco as a company; but we are interested in this service because it will, as we understand it, give us better service into the Medford-Klamath Falls district.

495 Q. Do you have any shipping problem at all between San Francisco and Seattle?

A. No, sir.

Q. You have no interest in this proceeding, then—any direct interest? What is your understanding?

A. Well, we have an interest, as I say, in this Medford-Klamath Falls situation.

Exam. KEPHART. Where from—from Seattle, Mr. Duncan?

The WITNESS. Pardon?

Exam. KEPHART. From Seattle?

The WITNESS. Yes; because, as we understand it, this will provide a better service, through to San Francisco, but it also will provide us with a little bit better service into the Medford-Klamath Falls district in that the San Francisco freight will be carried directly through Portland, eliminating some twenty-four hours and, of course, the freight going into Klamath Falls and Medford, from Seattle, would benefit by that much, then.

Exam. KEPHART. Well, then, do you know that the service now between Seattle and these points that you have named in southern Oregon is in operation by this company?

The WITNESS. Well, that is true; but in going from Seattle down there now, the shipments lay over all day in Portland. They leave Seattle in the evening and lay over all day in Portland the
496 following day, you see. But now—on this service—as I understand it, that truck will go right on through and not stay in Portland all day.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Is it your understanding that there will be no transfer of freight on Consolidated Lines at Portland when you are shipping to Medford, or as far as Klamath Falls?

A. My understanding on this service is that they expect to load that truck with sufficient tonnage so that there would be no transfer at Portland whatsoever. Well, of course, now, I presume under truck operations that if there is unsufficient tonnage, certainly that they would transfer rather than running a light truck all the way through.

Q. Their proposal, which they advocate here, is to get a "hot shot" service between San Francisco and Portland. Wouldn't you expect them to probably give you service to the Klamath Falls area on a local truck in order to maintain that "hot shot" service

A. No, not necessarily. I think that on a "hot shot" service, as you call it—I am inclined to think that they would load the truck, no matter what. Certainly if they had any Klamath Falls or Medford tonnage going they would put it in the truck.

Q. You are interested primarily in Klamath Falls or
497 Medford—which, or both?

A. Well, both.

Exam. KEPHART. In less than truckload or truckload quantities?

The WITNESS. Less than truckload.

By Mr. ELLIS:

Q. About what do your shipments average?

A. Oh, we probably have—through the summer and fall, I would make an estimate of around one-half ton a day on the average.

Q. Would expect Consolidated Freightways to load that one-half ton freight in one of these "hot shot" schedules that is designed to get butter and eggs and perishables into San Francisco and stop that truck along the route at all local points to unload your bags?

A. Well—that is an operating problem that is up to them. I believe that they fully intend to have the through service, all

right, combined with the local service. As I understand, they certainly would alternate any truck to suit their own convenience.

Q. You think your bags will get the "hot shot" service—that is your understanding?

A. Well, it is our understanding that our bags or any other Seattle commodity would get a better service down there.

Q. Well, don't you think they could better afford to give you that type of service under present conditions than they
498 could if they were endeavoring to maintain a "hot shot" service between the principal terminals?

A. Well, offhand, I don't see how they could. They would need the extra tonnage that they would attract by the faster service, in order to put on the better equipment.

Q. If, as a practical matter, the giving of this "hot shot" service will result in a slower service to intermediate points, I assume you would not favor it?

Mr. BEROL. In other words, they wouldn't have service any more?

Mr. ELLIS (continuing). In other words, you can't give "hot shot" service and give local service on the same schedule?

The WITNESS. That is a matter of contention.

Exam. KEPHART. That is a matter of practical operation, rather than contention, Mr. Duncan.

The WITNESS. Yes.

Chairman TERRIL. What you are principally interested in is a faster service between Seattle and Medford and Klamath Falls?

The WITNESS. Yes; a better service than we have now. We have been assured by Consolidated that if this application was granted, they would be able to give a better service.

By Mr. ELLIS:

Q. Have you ever complained to Consolidated in the past about the service you have been getting?

A. Oh, once in a while; I don't think that there is any
499 transportation line in existence that I haven't complained to on their service.

Q. Something on their transportation service?

A. Well, yes; in some cases with Consolidated and with other lines it has been true.

Q. Well, have you ever complained to them about the delay in their service between Seattle and Medford and Seattle and Klamath Falls?

A. Well, for a good many years I have complained to truck lines and rail lines in general about the service to Medford and Klamath Falls. This lay-over in Portland has been the principal source of complaint. As I stated before, they come down there from Seattle

during the night and then lay over from their arrival time in Portland until the following evening. I think all the fellows in Seattle have complained about that condition.

Q. You, personally, have complained to Consolidated Freightways about that condition?

A. Oh, in the last ten years I imagine I have complained quite regularly—not by letter; but I have taken many occasions to point out, not only to the Consolidated, but as I say, more or less all of the carriers.

Q. When did you last make such a complaint to Consolidated Freightways?

500 A. Well, the last time I have discussed that particular thing with them, I think was about—one of their solicitors, about two weeks ago, and it wasn't in connection with this hearing, either.

Q. One of their solicitors at Seattle?

A. Seattle, yes; I just pointed out to him that we were still working under that handicap.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Duncan, it is your understanding that any shipments that you forward out of Seattle to Medford or Klamath Falls for that territory are held over in Portland here from morning until the evening of the second day?

A. That is my understanding, yes.

Q. And it is further your understanding, under the representations by Consolidated, that they were not performing that service through from Seattle to these territories without tying in with the service to San Francisco?

A. I would put it substantially that way. I do not understand that they cannot. Again, that is an operating problem. Certainly, they have not been doing it, but with the additional service they represent, they consider that it would be practical to do it.

Q. Well, would it be your understanding that it would require this additional operating authority for these through sched-

501 ules in order to perform that service practically into Medford and Klamath Falls?

A. Into Medford.

Q. And Klamath Falls?

A. Well, it isn't my understanding that it would require this particular application for authority to do that; but it is my understanding that unless they can operate through to the San Francisco Bay area, that they wouldn't have sufficient tonnage to put on a service from Portland to Medford.

Q. Quite a sufficient tonnage—I just want to get you correct—Do you mean tonnage that originates in Seattle, for instance, and is destined to Klamath Falls and Medford or tonnage that is destined to San Francisco?

A. Well, that service would mean both Portland and Seattle tonnage.

Q. Now, if proper connections could be made as a practical matter between themselves and the line that now connects to Klamath Falls and Medford, that in substance, would be the same thing they are now offering to you under this application, would it not?

A. If they connect at Medford?

Q. And Klamath Falls.

A. And Klamath Falls. Well, to a certain extent it might. I dont' know. That is more along the operating problem; but there are arrangements in regard to that, that it would not—

502 Well, as far as we are concerned, it wouldn't make any difference. I can see on the fellow that was going on beyond where it would.

Q. Well, summing it all up, what you are actually interested in is an improvement in service between Seattle and the Klamath Falls and Medford area?

A. That is right.

Mr. HEDGES. That is all.

Chairman TERRIL. Is there any further cross-examination of this witness?

Mr. SCHAFER. I have some redirect examination and some newly discovered evidence.

Redirect examination by Mr. SCHAFER:

Q. Are you here representing any association in Seattle?

A. I represent also the Seattle Industrial Traffic Managers Association.

Q. Of what is that association composed?

A. Primarily of manufacturing and wholesale concerns in Seattle.

Q. Was a meeting held wherein it was decided to authorize you to represent that association?

A. At the last meeting in June I was authorized to speak for the association.

Q. Do they endorse or support the application of Consol-

503 idated Freightways in this instance?

A. They do.

Q. Now, you understand that the improvement between Seattle and points in Oregon, south of Portland, would be purely incidental to the through service between Seattle and San Francisco, do you not?

A. Yes.

Q. Was there any expression from the traffic managers association with respect to the through service, second morning, between San Francisco and Seattle?

A. Well, they were in favor of that. It was our understanding that this saves some twenty-four hours into the San Francisco Bay area and they also expressed the opinion on the improvement it would make in regard to the handling of claims and the tracing of shipments and the handling of C. O. D.'s. Now, some discussion was had in regard to one or two operations that primarily, as I understand it—fruit and produce service, refrigeration trucks, which had been holding themselves out, under their grandfather rights, to haul other commodities to a limited extent. And also, as I understand that service, it does not call at all points along the route. Now, we have a feeling on that, in this manner: That any transportation system that holds itself out to take what you might call the cream of the crop, is a detriment to the rest of the shippers, in that any other com-

504 mon carrier is somewhat handicapped in his operation over a regularly scheduled service if the cream of the crop is taken from him, so we more or less have objected to an operation that kind of skims the thing away from you.

505 Examiner KEPHART. If, Mr. Duncan, this application should fail, would you give up hope of obtaining any improvement in the present service between Seattle and Klamath Falls?

The WITNESS. In this day and age, I wouldn't give up hope on anything. I think transportation, particularly in the truck industry is still developing. If this particular application fails, why, I certainly would expect to see the time, sometime, when a similar application or an operation did not fail.

Examiner KEPHART. Well, wouldn't you think that the solution of your problem might be to go to the company and have the present service improved?

The WITNESS. Well, this would be an improvement of the present service, if the present applicant were granted the extension here, or, as I understand it—there are two applicants; if both of them were granted here for such an operation, it would certainly be an improvement. But something should be done—that is the point—that is the way we feel.

Examiner KEPHART. Well, I am just asking about alternative service.

The WITNESS. Yes. Now, I might also make one mention here—some discussion has been had along these lines; I know that there is sort of a general feeling that, to some extent, that the more competition the better.

The WITNESS. Well, I don't exactly feel that way, and I
506 don't think most experienced traffic men do. The fact of the matter is that our regulatory bodies, such as the Interstate Commerce Commission itself, has seen fit to limit competition to a certain extent as being of benefit to the public because in the days when competition was unlimited—well, we all know how that more or less ended up. Eventually it brought about the creation of the Interstate Commerce Commission. Well, now, here we have a situation of trucks where—I don't know—perhaps there are too many truck lines, and I am not going to say who should have the operation, nor just exactly how many, but I do think that there is such a thing as giving thought to limiting it.

I want some competition there but not wide open competition on any transportation.

Examiner KEPHART. You don't see anything wrong in improving the present service when that can be done, though, do you?

The WITNESS. No; and that is one reason I support this present application. It is by truck lines already in existence and operating, and they are substantial lines.

Examiner KEPHART. Even whether this application was granted or not, you still might expect a through service between Seattle and Medford or Klamath Falls?

The WITNESS. Well, if this application is not granted, I don't know of any plans to improve the service otherwise, from Seattle to Klamath Falls. I haven't heard of any.

507 Examiner KEPHART. That is all.

By Mr. SCHAFER:

Q. What is your experience in traffic, Mr. Duncan? How many years have you been engaged in that work?

A. Nineteen years.

Q. Did you say how many firms are represented in the Traffic Managers' Association—how many Seattle firms?

A. I didn't say. I think it is about thirty-five. Do you want to know their names?

Q. About thirty-five. Are those the principal shippers and receivers of freight in Seattle?

A. Well, I would say heavier industries of Seattle.

Q. Have you any comment to make as to the volume of traffic which has been diverted away from the boat service during the past few years?

A. No; I wouldn't make any comment on that, other than to say that I know some have in our own company. Whatever we have had down there, we have practically diverted entirely from

the boats. That has been more or less a problem due to longshoring, though.

Mr. SCHAFER. That is all.

Chairman TERRIL. Is there any further cross-examination?

Mr. ELLIS. I am going to have some rather substantial further cross-examination.

Chairman TERRIL. If that is the case, we will adjourn at this time until 2:00 p. m.

(At 12:30 o'clock p. m., July 9, 1940, hearing recessed to 2:00 o'clock p. m. of the same day.)

508 AFTER RECESS—2:00 P. M.

Chairman TERRIL. We will be in order.

Mr. BERGER. I would like to enter an appearance, if I may.

Chairman TERRIL. You may.

Mr. BERGER. H. O. Berger, 2330 3rd Avenue, Seattle, Washington, consulting and rate expert, representing the Manufacturers Association of Washington. I appear here in favor of the application. I might say that I am authorized to practice before the Interstate Commerce Commission.

Chairman TERRIL. Very well, Mr. Ellis. Proceed with your cross-examination.

Cross-examination by Mr. ELLIS:

Q. You are here representing the Seattle Industrial Traffic Managers Association?

A. That is correct.

Q. And the Seattle Industrial Traffic Managers Association, I assume, is composed of traffic managers of industries, including manufacturers and jobbers, who are located in and adjacent to Seattle?

A. That is correct.

Q. What type of businesses would you say predominates in that Association?

A. Oh, I don't know as I have ever analyzed it in quite that manner; there are oil companies, flour companies, meat packing companies, and many wholesalers. There are hardware
509 companies, grocery companies. That would be a general cross section of what there is.

Q. I assume a meeting was held by this association for the purpose of discussing the application that is involved here?

A. It was at one of our regular meetings, and this was discussed at that meeting; yes.

Q. How many members did you say you had in this association?

A. I believe there are about 30 to 35.

Q. And out of this membership, are you able to state how many were present on this occasion when this matter was discussed?

A. It was discussed on two occasions, and I should judge—I don't remember the first—but the last one was somewhere between 17 and 18 members.

Q. At a luncheon meeting?

A. Yes. The last one was an evening meeting.

Q. The first one was a luncheon meeting?

A. Yes.

Q. And the last one was an evening meeting?

A. Yes.

Q. I suppose the last one was for the purpose of considering other matters than this particular matter?

A. That is right.

Q. Who was present at that time for the purpose of telling you what the proposition of the Consolidated Freightways was?

A. Mr. James and Mr. Weisler.

510 Q. Was anyone there present representing other competing truck lines?

A. No.

Q. Then actually you heard at that time only the one side of the story, the story of the Consolidated Freightways?

A. We heard directly only one side of the story, but, of course, there was discussion in regard to other lines after the gentlemen left.

Q. Now, from a transportation standpoint, particularly a truck transportation standpoint, what is the principal territory—destination territory—served by this group of traffic representatives or concerns?

A. Do you want the territory not involved in these proceedings, the whole territory?

Q. I want the principal territory served by the Seattle jobbers and Seattle houses?

A. Well, it is the states of Washington, Oregon, Idaho, and, to some extent, California and Montana. Some of them go as far as Utah and Colorado.

Exam. KEPHART. How about Nevada?

The WITNESS. Yes, Nevada, to some extent; and to foreign countries; Alaska and the Orient and the Philippine Islands.

By Mr. ELLIS:

Q. So far as your jobbing interests are concerned where you use truck facilities for shipments, I assume the majority of
511 them—I assume the major portion of your tonnage would move to points within the Pacific Northwest, that is, within Washington, Oregon, and Idaho?

A. The major portion; yes.

Q. And considering your motor transport problem, as a whole, is it correct to say that your service area is perhaps within Washington and within Washington points, or between Washington points and Portland? In other words, let me put it differently. Considering your motor transport problem as a whole, the areas within Washington and between Washington points and Portland is of greater importance to you than the area or service between San Francisco and Los Angeles?

A. That would be true.

Q. Now, what are the major carriers; who are the major carriers that render that more local service between Washington, or within Washington, to the members of your association?

A. For instance, Seattle to Portland?

Q. Seattle to Portland, for example.

A. I believe there are seven that have rights there.

Q. Who are they?

A. Interstate Freightways, Consolidated, Portland Seattle Auto Freight, Smart's—how many are there? How many have I mentioned?

Q. Four.

A. Lee & Eastes, P. H. T.—Pacific Highway Transport, Heyser's. And then there is Robertson. That would be eight,
512 wouldn't it?

Q. Yes.

A. Eight.

Q. Do you know to what extent those carriers who are competing for your business between Portland and Seattle are dependent upon traffic interchanged at Portland from points south for the efficient conduct of their business?

A. No. I don't know to what extent they depend on it.

Q. You realize, of course, as a traffic manager, that with that much competition between Portland and Seattle, they must necessarily rely to a substantial extent on tonnage received from connecting carriers beyond?

A. I know they would rely some on it.

Q. Did you give any consideration to the idea that perhaps by advocating the application of the Consolidated Freightways in this case, you would be inflicting a loss to or an injury to some of your local carriers?

A. Well, not just exactly in that manner. However, I will say this: undoubtedly we realize that, but it is also more or less the opinion of the shippers that there is too much service between Seattle and Portland; it is a detriment to the shippers themselves.

Q. You think there is too much service there now?

A. I do; yes.

Q. And do you know how many carriers there are rendering service between Seattle and San Francisco at the present time?

513

A. Straight through?

Q. Yes.

A. I am not sure of the figure; I believe perhaps, two. I imagine that is a matter of record here already.

Q. Are you familiar with the services of the Colletti Fast Freight?

A. I don't use them; I have heard of them.

Q. The Los Angeles-Seattle Motor Express?

A. I don't use them, but I have heard of them, too.

Mr. SCHAFER. I think it is clearly in the record now that neither one of those carriers serve San Francisco directly with any quantity of freight. That has been testified to here before.

Mr. ELLIS. I think you have made that statement several times, but I don't think it has been testified to.

Mr. SCHAFER. It came out on cross-examination, in response to questions asked by you.

Mr. ELLIS. I think it came out by your statements.

By Mr. ELLIS:

Q. Do you know how many carriers there are giving service between Seattle and San Francisco at the present time?

A. No; I do not.

Q. Did Mr. James give you any information at the time of this meeting in Seattle as to how many there were?

514

A. I don't recall whether he mentioned it or not; that is, how many. I know there has been considerable discussion on it, so far as that is concerned, I get the impression that there is at least two, which are primarily refrigerated carriers, but hold themselves out under their grandfather rights, to a limited extent, to haul general commodities, and, I believe, to some extent, that is further limited to tonnage requirements.

Q. Well, isn't it a fact that, in addition to these carriers who give you direct service, you can get competitive service through the seven lines operating between Seattle and Portland, through connections with other lines operating from Portland to San Francisco?

A. Well, insofar as the quantity of service is concerned, there is plenty of it; but what we are concerned with is the time element, a saving that has been held out to us if a through service from Seattle is granted. I will admit we have plenty of connections, for instance, the eight carriers between Seattle and Portland, to connect with the carriers out of Portland; but that is the thing that is more or less objected to, because it does not give us the time saving.

Q. Were you told how the time saving was to be accomplished?

A. Not in any great detail, but in a general way.

Q. Were you informed that your shipments would move direct from Seattle to San Francisco, without interchange or transfer en route?

515 A. It is my understanding that some of them would. It is quite possible that some would not, because, as I understand, there will be the one service going straight through, and then, of course, they will still have, you might say, a local service; but, generally speaking, the Seattle cargo would naturally go on the through service.

Q. Were you informed by Mr. James at that Seattle meeting that your Seattle cargo would go on through service? That is, without transfer at any point between Seattle and San Francisco?

A. I don't recall that he said 100%, but he did point out to us that at least there would be some of it go through that way.

Q. Did he call your attention to any of the deficiencies of their existing service?

A. Well, he probably would not do that.

Q. Did he tell you that his traffic was now being transferred from one truck to another, moving over his line to San Francisco?

A. He didn't tell us in those words. However, we know his service stops at Medford. Of course, that involves arrangements with some other carrier from there on.

Q. Did he tell you that at the present time they were operating a through service from Portland to San Francisco, through interchange of trailers with the Oregon-Nevada-California Fast Freight?

A. He didn't call it a through service.

516 Q. Do you know whether or not there is at the present time any transfer of lading on the Consolidated Freightways now at Portland on shipments which you now make to San Francisco?

A. I don't know about the details of their operation, of the physical operation. I know that the shipments are held up.

Q. You don't know whether that is occasioned by transfer of lading at Portland or not?

A. No; I don't.

Q. So far as you know, the Consolidated Freightways is moving your freight through Portland now without interchange at Portland?

A. I wouldn't say one way or the other, because I don't know what they do. So far as I am concerned, I am not concerned with what they do; I know that we have this delay, and under any proposal whereby it can be eliminated, we would favor it.

Under the extension of the service, for various operating reasons, it can be eliminated.

Q. Are you more interested in this so-called "hot shot" service from Seattle to San Francisco than you are in getting service from Seattle to local points intermediate between San Francisco and Seattle?

A. We are interested in both.

Q. Do you expect your intermediate points are going to be served by the "hot shot" service?

A. To a certain extent. I feel sure that the operators
517 themselves would find it convenient to handle some of the local freight on this through service.

Q. Would you expect, as I understand you, to load a shipment of bags at Seattle on a through truck that was, perhaps, refrigerated, carrying fish, butter, and eggs to San Francisco, and have your truck stopped at Klamath Falls to unload 1,000 pounds of your bags, and have it stopped at Redding to unload another 1,000 pounds of some other commodity, and at a half a dozen other places along the line?

A. You mean by Consolidated?

Q. Yes.

A. In the first place, I don't believe that service is going to be refrigerated, although it may be air conditioned.

Q. Most of the testimony we have had here from shipper witnesses had to do with the handling of refrigerated shipments in this "hot shot" service. Do you have a different impression, that it is not going to be a refrigerated service?

A. Well, I didn't have the impression that it was going to be a refrigerated service, other than I understand, that they have plans of air cooling trucks, to a certain extent.

Mr. BEROL. May I interpose a question, Mr. Ellis, without disturbing your chain of thought?

Mr. ELLIS. Certainly.

Mr. BEROL. I would like to know what the witness means by air conditioned?

518 The WITNESS. I am not an engineer.

Mr. BEROL. I have heard of refrigerated trucks, but I have never heard of an air conditioned truck, and I don't know what an air conditioned truck is.

The WITNESS. I have heard of air conditioned rail cars.

Mr. BEROL. I am talking about trucks.

The WITNESS. I would assume that a truck would be operated much the same as a rail car. We have air conditioned pullmans.

Mr. BEROL. Have you ever seen an air conditioned truck?

The WITNESS. An air conditioned truck?

Mr. BEROL. Yes.

The WITNESS. No.

Mr. SCHAFER. I would like to ask at this time, before we pursue it any further, what relevancy it has.

Mr. BEROL. I am through.

Mr. SCHAFER. Does it make any difference whether your sacks are hot or cold?

The WITNESS. No; it does not. However, the answer was given to the question proposed.

By Mr. ELLIS:

Q. To summarize your testimony, it is this: That you feel you have plenty of truck line competition, but you would like to save time in your service, have a speedier service, if it is practical to get it, without interchange or transfer of lading at intermediate points between Seattle and San Francisco?

519 A. Well, that would not summarize it completely. That is true what you have said so far, but we do believe that a through service, operated as a through service, would materially improve the service, particularly with relation to handling claims, tracings, c. o. d.'s and things of that nature.

Q. You recognize, do you not, as a traffic man that interchange of freight is more or less of a necessity throughout the country—throughout the entire United States—in the shipment of commodities, from one rail line to another?

A. That is correct.

Q. That has been a part of the transportation situation ever since we have had rail service?

A. That is right.

Q. With respect to your rail service between Seattle and San Francisco at the present time, you have interchange of passengers to express cars between one line and another; have you not?

A. That is right.

Q. On service between Seattle and San Francisco?

A. Yes.

Q. Are you also aware of the fact that even in the use of air mail and air express between Seattle and San Francisco, that air mail and air express is transferred en route? You are familiar with that?

A. That is true, but that still is not saying that we would

520 not appreciate through service in all of those.

Q. I take it that up to this time you have had no occasion to make complaint to the United Airlines about their transfer of air express at Oakland destined to San Francisco, or to the Southern Pacific or to the American Railway Express for their

transfer of packages or express from one rail line to another at Portland?

A. I have no knowledge that any of the members have, but neither are we complaining here. We are merely supporting an application that has been filed, that we approve of.

Q. You recognize, from an economic standpoint, there is a limit to the amount of service that the shipping public can afford to pay for?

A. You are right.

Q. And if it should develop that the proposal in this case would result in impairing the ability of other carriers to serve the public or to continue to serve the public, or in any weakening of the financial structure of those particular carriers, that is a matter that you would expect to be taken into consideration along with the matter of more expedited service?

A. Certainly, but if we are going to get into the matter of rates, that is a different question. As I said before, we have a feeling that we have an oversupply of service, that we are over-serviced, and an elimination of some of the joint services
521 would be a distinct advantage, and also in rate matters.

However, this is not a rate case, and I have purposely refrained from bringing in the economic side of it in that manner; but there is a side of it that affects shippers as well as truck men.

Q. You think it would be an advantage in eliminating some of the carriers that are serving the territory at the present time?

A. I do, for the simple reason because I have heard it testified more than once, particularly as to the operations between Seattle and Portland. I have only heard of one of them that claims he is making a profit now, which indicates that there is not enough tonnage for them now, which also means, for the shipper, that he can't get the rates cut down. We have too high a rate structure now.

Q. You think that any plan that will result in more efficient operations will tend to lower the rates?

A. It certainly should. It would not right away, because they have to get up to the point to where they make a profit first.

Q. Have you heard that there is too much transportation between Puget Sound and California to permit sufficiently profitable operations to reduce rates?

A. Well, there isn't any through service there; that is, of the type that we want. There is some of the refrigerated
522 truck service.

Examiner KEPHART. Are you talking of truckloads or l. c. l.?

The WITNESS. L. c. l.

Examiner KEPHART. How can you avoid frequent handling of l. c. l. traffic when different packages go to different destinations?

The WITNESS. On through service, there wouldn't be any frequent handling other than pick-up and delivery, but that is assuming that they load their trucks properly, so that when they get to the point where it is to be unloaded, it is the next shipment to be taken off.

Examiner KEPHART. You are assuming that a distribution of these packages will be made in the same area?

The WITNESS. Not necessarily.

Exam KEPHART. Where it goes to different towns, it would have to be handled to the destination point; and if the packages had to reach different towns, they would have to be rehandled?

The WITNESS. The towns off the main line?

Exam. KEPHART. Yes.

The WITNESS. I see. That would be true.

Exam. KEPHART. All towns would not be on the main route?

The WITNESS. That is true, but that situation applies to the present service, as well as to any other service.

Exam. KEPHART. In other words, you can't avoid it?

The WITNESS. No; you can't avoid that. What I am saying is that the present handling is divided between two or three truck lines on its way to San Francisco; at least two, and sometimes three, at intermediate points and those on the main line.

523

Examiner KEPHART. You mean traffic consigned to San Francisco and the immediate vicinity?

The WITNESS. Yes.

Examiner KEPHART. You are not talking about the l. c. l. distribution at the different towns?

The WITNESS. Not off the main line now.

By Mr. ELLIS:

Q. Are you aware of the fact that the Colletti Fast Freight, the Los Angeles-Seattle Motor Express and the Pacific Refrigerated Motor Lines have all the time—all of whom operate between Seattle and California points—have applications pending at the present time for authority to handle commodities generally?

A. No; I am not.

Mr. ELLIS. That is all.

Cross-examination by Mr. JENNINGS:

Q. Do any of the members of your association handle products requiring refrigeration?

A. Possibly the Washington Co-Op; I am not sure about that.

Q. Was anyone present at the time you considered Mr. James' proposal that was interested in refrigeration?

A. At least no one mentioned it.

524 Mr. JENNINGS. That is all.

Cross-examination by Mr. FARRENS:

Q. Mr. Duncan, in the event this through service is established, in which direction of movement will your members be most interested?

A. What do you mean?

Q. North-bound or south-bound?

A. They would be interested both ways, but primarily south-bound.

Q. Is that for the purpose of distributing their products?

A. Yes.

Q. Would you expect from Seattle a very large distribution of products of the members of your association to San Francisco?

A. It would be substantial. I couldn't give you any tonnage figures on that now.

Q. Would it be more likely that the majority of the members of your association would have greater distribution south-bound for points intermediate between Seattle and San Francisco?

A. That is probably true; that is probably where the heavy tonnage would go.

Q. Then the "hot shot" schedule from Seattle to San Francisco and vice versa, which avoided making stops at these intermediate points, would lose to the members of your association the greater part of the advantages of such a schedule?

A. If it avoids entirely making any stops intermediate, it would.

525 Q. To the extent it would avoid making stops intermediate it would proportionately be of less value to you?

A. Yes.

Q. Did Mr. James tell you at the meeting you have mentioned that it would produce customers in your trade territory who, as a result of the proposed service, would decrease their Seattle purchases and increase their San Francisco purchases?

A. He never made any such statement.

Q. Would it lessen your interest in this service if it had the effect of diverting customers from your association in Seattle and increasing customers for the San Francisco competitors of the members of your association?

A. I think you are working on an assumption.

Q. I am working on the basis of testimony that has been given by preceding witnesses.

A. Of course, if it would harm their interests, it would lessen their interest in it.

Q. But you have not heard any testimony to that effect?
A. No.
Mr. FARRENS. That is all.

Cross-examination by Mr. BEROL:

Q. Your testimony respecting overabundance of service was directed to the territory between Seattle and Portland, was it not?
A. Yes.
526 Q. You did not mean to infer or imply by your testimony that there was an overabundance of transportation between Portland and the San Francisco area?
A. Certainly not of the kind that we want now.
Mr. BEROL. That is all.

Redirect examination by Mr. SCHAFER:

Q. Mr. Duncan, has anyone ever told you that the Consolidated has not proposed to serve intermediate points between San Francisco and Seattle?
A. No; they have not.
Q. Did any of your members—do any of your members draw upon San Francisco wholesale supply stocks for their supplies?
A. Some of them do; yes.
Q. You have done business with the Consolidated in the past, have you?
A. Yes.
Q. Did you find them reliable and efficient operators?
Chairman TERRIL. You covered it before, didn't you, Mr. Schafer?
Mr. SCHAFER. I don't think so, not with this witness.
Chairman TERRIL. I am quite sure you did.
Mr. SCHAFER. It is so long ago I forgot. That is all.
Chairman TERRIL. I guess that is all, Mr. Duncan, you may be excused.

(Witness excused.)

527 Mr. SCHAFER. I have one Chamber of Commerce witness, who will testify and who wants to go home. And then I have Jack Snead, Jr. Is it possible to get the Chamber of Commerce witness on first?
Chairman TERRIL. You may produce your one witness, if it won't take over five minutes.
Mr. FARRENS. If it involves the introduction of a resolution, it will take more than five minutes.
Chairman TERRIL. The Board is in a position to take care of that matter, I think, Mr. Farrens.
Mr. SCHAFER. Mr. Turnbull.

J. E. TURNBULL was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name to the reporter?

A. J. E. Turnbull.

Q. You are representing the Eugene Chamber of Commerce here?

A. I am.

Q. Eugene, Oregon?

A. Yes.

Q. In what capacity?

A. As a member of the Board of directors.

Q. And has the subject of the present application been discussed by your Chamber of Commerce, to your knowledge?

A. It has been discussed by the Board of Directors; yes.

528 Q. Were you present during your discussion?

A. I was.

Q. Are you personally familiar with the service available to the town of Eugene by rail and truck between San Francisco and Eugene?

A. Yes, sir.

Q. In what business are you engaged?

A. I am in the printing business. I have very little shipping out of town to any point, that is, personally; my shipping comes from Portland. Occasionally we do have a shipment, once or twice a year, from San Francisco; and we have always used the Express Company—the Railway Express—because it is more regular.

Exam. KEPHART. Your shipments from Portland are interstate shipments?

The WITNESS. Practically all of our personal shipments; yes.

By Mr. SCHAFER:

Q. Was a resolution passed by the Chamber of Commerce when you were present?

A. It was.

Q. Endorsing the application?

A. Yes.

Q. Is this a copy of the resolution [indicating]?

A. Yes.

Mr. SCHAFER. May we have it read into the record, Mr.

529 Examiner?

Chairman TERRIL. I will say it may be received and placed in the docket; it will not be a part of the record.

Mr. SCHAFER. May I have it given a number, please?

Chairman TERRIL. No.

Mr. SCHAFER. No number?

Chairman TERRIL. That is right.

Mr. SCHAFER. Just filed in there?

Chairman TERRIL. It is filed in the docket. It will not be a part of the record.

Mr. BEROL. I am a little bit curious to know just what is meant by filing a resolution in the docket without making it a part of the record or the transcript, or without making it a part of the record as an exhibit. My curiosity is entirely prompted by the fact that I want to know what we, as applicants or protestants, may do in the matter of resolutions, and what use we can put them to.

Chairman TERRIL. Have you seen the docket?

Mr. BEROL. Yes; I have seen the docket.

Chairman TERRIL. Did you notice that there are other parts of the docket besides the transcript and formal matters; that there is a correspondence section?

Mr. BEROL. Yes, indeed. My only point is that, if it becomes a part of the docket, I understand it is there for the use of
530 the Commission for whatever purpose it may see fit to use it, or for the purpose of whoever may be interested in the matter. If I want to review the docket, I don't want to have to go to Washington for the purpose of seeing what is in the docket. Now, if it is not in the record at all——

Chairman TERRIL. It is not in the record; it is not a part of the case. If it is placed in the correspondence section of the docket, it is not in the record. As a practical matter, it is not a part of the record. It is a communication from the Chamber of Commerce of Eugene directed to the Interstate Commerce Commission. The question has been ruled on.

Mr. BEROL. I don't want to appear to be arguing the matter after a ruling has been made. However, I do feel strongly on the possibility of the witness producing a copy of a document, which becomes a part of the record indirectly and does not become directly. I want to have my position clear. If it is to be in the record at all, it should be in directly.

Exam. KEPHART. We can't do indirectly what we cannot do directly.

Mr. SCHAFER. I just want to say that I have resisted many times Chamber of Commerce resolutions in matters of this sort, and this is the first time I have seen one excluded. I assumed that the practice would be the same.

Chairman TERRIL. It has been ruled on.

Mr. FARRENS. I understand it has been ruled on.

531 Chairman TERRIL. Let us not argue about the matter.

Mr. FARRENS. I just want my mind clear on the subject. I want to call your attention to a recent opinion of the Supreme Court of the United States, under the stock regulations of the Act, which held that no regulatory commission could base a decision on anything that is not in the record.

Exam. KEPHART. That is correct.

Mr. FARRENS. I would therefore take it that you could not give it any consideration in making a decision in the case.

Exam. KEPHART. From a legal standpoint, I take it you are correct.

Mr. BEROL. Is there any other standpoint?

By Mr. SCHAFER:

Q. Are you familiar with the New Willamette Pass Highway that runs out of Eugene?

A. Yes.

Q. Are you acquainted with the topography of that country, and can you state whether or not that highway is more practical than U. S. 99 for transportation?

Chairman TERRIL. Just one moment.

Mr. SCHAFER. That is not the Sub. 21; that is Sub. 15, which comes into Portland over that highway, with all intermediate points.

Chairman TERRIL. Very well. Go ahead. Pardon me.

A. The entire argument of the City of Eugene for the construction of the Willamette Pass Highway was for a through,
532 fast line to California, a line that cuts off approximately 43 miles between the upper Willamette Valley and Northern California points. We are very anxious to have a through service established over the Willamette Pass Highway, which is No. 58 from Goshen, connecting with 97 south of Crescent, by way of Klamath Falls and Weed.

Mr. SCHAFER. You may cross-examine. Is there any cross-examination?

Mr. ELLIS. I have no questions.

Cross-examination by Mr. BEROL:

Q. Mr. Trumbull, respecting the action taken by the Chamber of Commerce, did the Chamber of Commerce know at the time it passed the resolution that there was an application pending by the Oregon-Nevada-California Fast Freight?

A. Yes.

Q. And that application was considered as well as the application of the Consolidated at that time?

A. Yes.

Q. And is it true that the action of the Chamber of Commerce went to the application of the Oregon-Nevada-California Fast Freight as well as the application of Consolidated?

A. It is my understanding that it did.

Cross-examination by Mr. FARRENS:

Q. The resolution did not go to the application of any specific carrier, did it?

533 A. No, sir; it did not.

Mr. FARRENS. Thank you.

Mr. ELLIS. I have just one question.

Cross-examination by Mr. ELLIS:

Q. As I understand it, the subject under consideration was one largely of assuring for Eugene daily through service via a single carrier, via Eugene to California points, without interchange?

A. Either single—we are not trying to make or designate any particular carrier; all we want is service, particularly a service over the Willamette Pass Highway.

Q. You are primarily interested in having service—truck service—to the California points?

A. Yes.

Q. Are you aware of the fact that the Pierce Auto Freight is giving daily service between Eugene and California points?

A. We were told that the other day.

Q. You didn't know that at the time the resolution was passed by the Chamber of Commerce?

A. We didn't know that at the time that the discussion first came out, but before the resolution was adopted, we did.

Mr. ELLIS. That is all.

Chairman TERRIL. That appears to be all.

(Witness excused.)

Mr. SCHAFER. I will call Jack Snead, Jr.

534 J. L. S. SNEAD, Jr., was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name to the reporter?

A. J. L. S. Snead, Jr.

Q. You are an employee of the Consolidated Freightways?

A. I am.

Q. How long have you been with the company?

A. A little over ten years.

Q. And what is your title?

A. Maintenance engineer.

Q. What are your duties?

A. I have charge of the design and maintenance of equipment, and schedules.

Exam. KEPHART. Are you a mechanical engineer?

The WITNESS. I practice it, although I have not a degree.

By Mr. SCHAFER:

Q. Are you familiar with the schedules which are proposed under this application?

A. Yes.

Q. Did you have anything to do with the laying out of those schedules?

A. Yes; I did.

Q. Will you please explain the schedules as they are laid out between San Francisco, on the one hand, and the points in the Northwest covered by this application, on the other, starting
535 at San Francisco, and indicate wherein you expect to save time?

A. There is one schedule from San Francisco to Marshfield via Highway 101, which will make first afternoon delivery at Marshfield, in comparison with the second morning we are presently offering. There is one schedule up Highway 99 out of San Francisco to Portland, which would arrive in time to make connections with our operations out of Portland and Yakima and Wenatchee, Hood River and The Dalles, and other points out of Portland, giving one day better service to those points than is possible, but not improving the service to Portland, which is second morning at the present time. There is one schedule from San Francisco via Klamath Falls via the Willamette Pass Highway through Eugene to Seattle. We would give second morning delivery in Seattle, whereas the service we presently offer is third morning. There is one schedule from San Francisco through Klamath Falls to Bend and Biggs on U. S. Highway 30——

Mr. HICKSON. I got lost there.

A. (Continuing.) From Bend to Biggs. San Francisco via Klamath Falls, thru Bend to Biggs on U. S. Highway 30, and then to Umatilla and thence to Spokane, giving second morning delivery to Spokane.

By Mr. SCHAFER:

Q. Is it contemplated that all these schedules will serve all the intermediate points authorized?

536 A. Yes. We have left out one.

Q. Which one is that?

A. Service from Sacramento to Redding, which would connect with the others at that point, which would give service from Sacramento to all the intermediate points.

Q. With respect to the present service out of San Francisco, what improvement do you intend to make at that point?

A. (Continuing.) From Bend to Biggs. San Francisco via which point pick-up trucks would serve both the San Francisco area and all the Bay area, permitting us to load in station order out of Oakland, and to get the equipment out of Oakland earlier in the evening.

Q. What is the present situation?

A. At the present time the equipment is loaded in San Francisco, and then it goes to Oakland, where it makes pick-ups, and the freight can't well be loaded out properly, or routed out properly, because the Oakland freight is behind the San Francisco freight, which may go to intermediate points.

Q. How long does it take to remake their loads at Oakland?

A. I can't speak for other carriers, but our operation from San Francisco into Southern Idaho, on that operation it requires one hour or one hour and a half.

Q. How much time do you expect to save by making the loading only once at Oakland?

A. I think we can expect to save one hour.

537 Q. Now, what do you have to say with respect to the—I beg your pardon. First, I will ask you what running time have you planned between San Francisco and Spokane on the trip that goes through Bend and Biggs?

A. Oh, somewhat less than 36 hours—the elapse of time, I am referring to now.

Q. How many miles is that?

A. It is 948 miles.

Q. What makes you believe that you can operate a schedule in that time?

A. We have experience over similar distances.

Q. Where, for example?

A. For example, between Minneapolis and Billings, Montana, or from Billings to Seattle, which are similar distances, and have much more severe operating conditions, and the time is much the same.

Q. And are you able to maintain such operating schedules the year around between Minneapolis and Billings, or between Billings and Seattle?

A. We maintain them year around, with the exception of two or three times a year when there is a snowstorm, when we may be late.

Q. How are weather conditions in that part of the country as compared to the route we are considering now?

A. They are much more severe.

538 Exam. KEPHART. Why are they much more severe?

The WITNESS. Because it is further north, and it is in the Rocky Mountains where the winters are quite severe.

Exam. KEPHART. Are the breezes more severe?

The WITNESS. Yes; and the elevations are much higher. The elevations go to 6,000 feet and more, whereas, on the Pacific Coast, there is only one elevation which goes to as high as 4,220 feet.

Exam. KEPHART. Are the traffic conditions more severe?

The WITNESS. Yes; much more severe.

By Mr. SCHAFER:

Q. Do you do any local business on those trips between Minneapolis and Billings, Montana, or between Billings and Seattle?

A. Yes. That truck makes all the local places along the way. As a practical matter, there are not shipments from every town every day. One day you will have shipments from certain points, but not from every town every day.

Q. You mean that you do not have to stop at every wide place in the road, but you stop if there is freight offered or freight to go off?

A. If there is freight offered; but, as a practical matter, there is no freight from every small town every day.

Q. What program of improvements in your equipment are you following in order to improve your service?

A. We are putting in much more power in our motors;
539 motors with approximately 30% more power. We are making the equipment ride a great deal better than it was before by the use of longer springs, cushioning the springs in rubber, and using stage springs.

Q. How do you secure this 30% additional power?

A. We use supercharged motors.

Q. Is it a general plan of the Consolidated to install such supercharged equipment?

A. There is; and we are proceeding with it as rapidly as we can.

Q. Are you operating some of that equipment at the present time?

A. Yes; we are.

Q. Aside from more power on the hills, what other factor will enable you to maintain a much higher speed?

A. We have much better brakes on the newer equipment; we are gradually installing them on the older equipment. There is a considerable increase in the braking area and in the power applied to the brakes.

Q. Between San Francisco and Seattle, on the through schedule through Oak Ridge, Eugene, and over the Willamette Pass Highway into Seattle, have you studied that schedule?

A. Yes; I have.

Q. Are you convinced from your experience that you can operate that safely and dependably?

Mr. HICKSON. Would you refer to those by numbers, so
540 we can tell what schedules you are referring to.

By Exam. KEPHART:

Q. What average speed per hour do you contemplate?
A. In actual driving, 30 to 31 miles per hour.
Q. The over-all time somewhat less?
A. That is right; yes.

By Mr. SCHAFER:

Q. Can you give us the mileage to Seattle?
A. 887.

By Chairman TERRIL:

Q. From San Francisco to Seattle?
A. Yes.
Q. What is the elapse of time on that operation?
A. The elapse of time would be around 32 hours.

By Exam. KEPHART:

Q. That is about a day and a half, or a day and a third?
A. We are a little over that. Roughly, 32 hours driving time—around 34 hours over all. We don't like to operate our trucks under pressure.
Q. I want to know what the approximate arrival time is from the time that you leave?
A. 36 hours is near enough, so far as the arrival time is concerned.

By Mr. SCHAFER:

Q. I notice your schedule is from up to 7 a. m. or p. m. deliveries? What is the reason for not showing any definite arrival time?

A. Mainly because of the fact we don't want to put pres-
541 sure on the drivers to have them make speed, to make up some small delays and things of that sort. We have to admit the fact that there are delays which will be encountered, and a schedule should be planned with room enough to take care of that.

Q. On the trip between San Francisco and Portland via Medford, what time do you contemplate arriving in Portland?
A. About seven o'clock at night.
Q. And insofar as service to Portland consignees is concerned, do you have any latitude there?
A. Yes. Delivery can't be affected until the following morning.
Q. How many miles is that?

A. It is 716 miles.

Q. Now, on the route between San Francisco and Coquille, U. S. 101, what mileage do you have there?

A. About 520.

Q. You contemplate arriving at Coquille at about what time?

A. Shortly after noon.

By Exam. KEPHART:

Q. How many hours would that be?

A. About 18.

Q. How many hours to Portland?

A. About 26 hours—about 25, I should say.

By Chairman TERRIL:

Q. Is the leaving time on all the runs approximately the same from San Francisco?

A. No. It will vary between six and eight p. m. In
542 other words the one through Medford to Portland will leave at six.

Q. Mr. Snead, is there a separate unit contemplated for each of these four or five different runs that you mention here?

A. Yes.

Q. And the saving that has been talked of to Eastern Oregon points will be accomplished by the run between Medford—by the run through Medford into Portland?

A. No. It will be accomplished by the run from San Francisco to Spokane, which would transfer the freight for Eastern Oregon points at Arlington.

By Mr. SCHAFER:

Q. Do you know whether that freight would be in a separate unit, tractor or trailer?

A. It would depend on the volume. Generally speaking, the volume would not be heavy enough to run a separate unit, and it would be transferred at Arlington.

By Chairman TERRIL:

Q. There would be loading and unloading at Arlington?

A. Yes.

By Examiner KEPHART:

Q. That would go by way of Portland or Bend?

A. That would go by way of Bend and Biggs, where U. S. 97 comes into U. S. 30.

By Chairman TERRIL:

Q. So far as the schedule between Portland and Eastern Oregon is concerned, it would remain as it is now?

543 A. That is right; it would remain as it is now.

Q. How would you effect a saving in service to Lakeview, for instance?

A. By loading the freight out of Klamath Falls as soon as the truck arrives, and holding the truck from Portland for them to make a connection. The truck now operates from Portland to Klamath Falls, and Klamath Falls to Lakeview.

Q. And there would be a handling of the freight out of Klamath Falls to the local truck going to Lakeview?

A. Yes.

Q. Do you know what the elapsed time of the operation is between these various points, under the present method of operation?

A. At the present time?

Q. In your connection with the Oregon-Nevada-California Fast Freight?

A. The actual elapsed time between local points is very much the same, if there are no delays.

Q. Take a movement from San Francisco to Seattle. Under the present method of operation, what is the elapsed time from the time the truck leaves San Francisco until it comes to Seattle?

A. It is the third morning; it is around 55 hours.

Q. And what would be the elapsed time in the movement to Spokane at the present time?

A. About 60 hours.

544 Q. Into Portland?

A. Portland is about 32.

Q. Does your Coquille freight at the present time move in connection with the Oregon-Nevada-California Fast Freight?

A. Yes.

Q. Do you know what the elapsed time is now in connection with that operation?

A. It is about 36 hours.

Chairman TERRIL. You may cross-examine.

Mr. SCHAFER. I have a couple of questions on direct, which I forgot to ask. They cover the Sacramento operation to the main line.

By Mr. SCHAFER:

Q. How do you expect to handle your run from Sacramento to Redding?

A. From Sacramento to Redding and from Redding back to Sacramento.

Q. With what kind of equipment?

A. With a semitrailer, which could become a trailer to go through, if they had a straight load, or if they didn't have a straight load, to unload and return.

Q. It will be a local shuttle operation?

A. Yes.

Q. As a matter of operating practice, do you dispatch straight loads through without transfer at any point, if possible?

A. Yes.

Q. I believe you just stated that Portland was 32 hours out of San Francisco at the present time, under the present
545 service. How do you figure that out?

A. It is actually about 25 hours elapsed time, with about 7 hours at Medford; that is, from a practical standpoint.

By Examiner KEPHART:

Q. The actual time from the time of leaving San Francisco and arrival in Portland?

A. Yes.

Q. That is what the shipper is interested in?

A. That is right.

Q. What kind of equipment do you contemplate using on these various runs?

A. Trucks and trailers, which would be legal in all three states; four wheel trailers.

Q. Would there be a load on both the trucks and the trailers?

A. That is right.

By Mr. SCHAFER:

Q. How would you operate a full truck and trailer, road equipment, to Lakeview?

A. Through Alturas, turning off at Redding, and going up—I forget the number of the highway—anyway, it is through Alturas on a direct routing.

Q. Can you save some time?

A. Yes; we can. It is 50 miles shorter, and we can save some time on it.

Mr. SCHAFER. That is all.

Cross-examination by Mr. ELLIS:

546 Q. Did you prepare Exhibit No. 2, which you have before you?

A. I did not, but I assisted in preparing schedules from which it was prepared.

Q. You did not actually prepare these schedules yourself?

A. No; but I did prepare the schedules on which it is based.

Q. In fact, you furnished substantially all the information that went into this mimeographed copy?

A. I did.

Q. You made the computations set up in columnar form, to be followed by the one who mimeographed it?

A. I did not set it out; I did not set down the arrival times, no.

Q. As I understand your proposal of service, you are proposing to operate on six days of the week?

A. That is correct.

Q. Four complete, independent runs from San Francisco north as far as the Oregon-Washington line, or Portland?

A. That is correct.

Q. And each of those services will be both directions?

A. Yes.

Q. Daily?

A. Yes.

Q. What is the capacity of each of the daily units that you operate in each direction?

A. The actual capacity is around 12 tons, but because
547 of the nature of the freight you will normally load around 10. The average load will be approximately 10 tons in equipment of that type.

Q. And you will be operating about 40 tons capacity in each direction each day?

A. That much capacity; yes.

Q. You mean 10 tons on a truck and 10 tons on a trailer?

A. Heavens, no.

Q. It will be 10 tons on a truck and trailer?

A. Yes.

Q. Or 40 tons from a practical loading standpoint out of San Francisco every day?

A. That is correct.

Q. And an equal capacity in the south-bound direction?

A. One of those, of course, stops in Marshfield. Three would come as far north as the Oregon-Washington border.

Q. One of them would go as far as Seattle north?

A. Yes. And one as far north and east as Spokane.

Q. Now, starting with the San Francisco to Marshfield operation, did I understand you to say that on that schedule, as well as on the other schedules, it would include pickup and delivery service?

A. It would perform such a service, but from a practical standpoint the number of stops which it would make would be very few.

548 Q. Have you estimated the number of stops you would expect to make?

A. I think we would expect to make five or six stops.

Q. And the second schedule, between San Francisco and Portland over U. S. Highway 99. As I understand you, you use

that schedule to serve all intermediate points between San Francisco Bay and Portland?

A. It would hardly amount to that, because of the fact that we do operate local schedules between Medford and Portland. Because of the fact that we operate other local schedules in that area, we would much prefer, and would much more likely stop the truck in Eugene. For example, while the driver had his dinner, and then take off the freight for Albany, and Salem, which would move north on the same delivery.

Q. And this through schedule, or what has been termed a "hot shot" schedule, would serve only a limited number of intermediate points, and would be in addition to your present local service between Medford and Portland?

A. Yes.

Q. Now, what is the fact as to the schedule from San Francisco thru Portland via Klamath Falls? Would that perform all local service en route?

A. Yes. As I say, from a practical standpoint, it would not always stop at each point.

549 Q. That would not duplicate any part, or would it, of the service which you now give to Klamath Falls, or between Klamath Falls and Portland?

A. It would duplicate the service which we now render between Klamath Falls and Portland.

Q. You would continue to operate another local freight in there?

A. We would; yes.

By Examiner KEPHART:

Q. What about the Spokane run. Would that serve locally such points as Bend, Pasco, and Ritzville?

A. Such points as Pasco, yes; but not Ritzville. We would take the freight off at Kennewick for Ritzville, and make all points such as Ritzville with our local run out of there. However, large shipments would not be transferred.

By Mr. ELLIS:

Q. The service that you are proposing is not an extension of the service between Portland and Medford, and Portland and Klamath Falls, but something that is in addition to that service, and you will give these four schedules over and above the schedules you are now giving?

A. I don't think that is correct, because today we are operating more than one schedule to Medford and Klamath Falls out of Portland. On those schedules we are handling a certain

amount of freight going to San Francisco, or from San Francisco, which would be on the through equipment if we were granted the permit. I don't believe we would be operating that much additional equipment, because we are operating four
550 trucks and trailers between Klamath Falls and Medford to the Oregon-Washington line.

Q. You don't mean to say that you are going to give this 40 ton additional capacity without any additional equipment.

A. I think it is obvious it will require some additional equipment.

Q. Have you made any estimate of how much additional equipment will be required?

A. Yes, I have. It does not require as much additional equipment as would be required to operate that many new schedules on another run, because we have a greater utilization of the equipment.

Q. Can you tell me how much additional equipment will be required?

A. About five trucks and trailers.

Q. Do you know the approximate cost of that equipment?

A. Around nine thousand dollars for a truck and trailer.

Q. In addition to that, you would expect to put on superchargers on your motors? As I understand it, you are going to put superchargers on your motors?

A. We are doing it at the present time, gradually. We are not doing it all at once, but we are putting them on gradually.

Q. What is the approximate cost of a supercharger?

A. It is an additional cost of about $500.

Q. Isn't it about $700?

A. I wouldn't say definitely. I would have to trust my
551 memory on that.

Q. About how many of those would be required to maintain this schedule which you propose?

A. About 14.

Q. Now, I believe you said a part of the saving in time that you contemplate would result through a rearrangement of your terminal facilities in the San Francisco Bay area?

A. That is right. There is just one point that I did not bring out a moment ago. That schedule can be maintained without the supercharged motors. The supercharged motors make it easier to maintain and increase the speed, and give more time for the driver to rest. We certainly intend on all of our equipment to put on superchargers, just as quickly as it is practical to do so.

Q. Did you state for the record how much saving in time you would expect to accomplish through the rearrangement of the terminal facilities at Oakland?

A. Approximately one hour.

Q. That could be done entirely independent of any line haul operation between the Bay area and Medford, could it not?

A. I assume so. Any carrier could do it.

Q. Approximately how much time do you propose to save between Oakland and Medford?

A. I would not contemplate reducing the elapsed time between Oakland and Medford at all.

552 Q. That would not be reduced at all?

A. No. That is, over the present schedules which are maintained by the present operators.

Q. In other words, you wouldn't operate those schedules any faster than the Oregon-Nevada-California Fast Freight operate?

A. I certainly would not.

Q. But you would anticipate some saving in time at Medford through avoiding the necessity of the transfer of lading?

A. And of the rebilling, and things of that nature, which require considerable time.

Q. Have you given any consideration to avoiding the necessity for billing, through an interchange of equipment, including motor powered equipment, with the Oregon-Nevada-California Fast Freight?

A. We have even contemplated exchanging motor equipment with other operators, but there are a lot of problems presented by the thing, and, so far, it has not appeared to be very practical.

Q. Now, as to the saving in time between Medford and Portland, how much time do you expect to save there by your proposed operations?

A. I would not propose to reduce the actual driving time at all.

Q. What changes do you contemplate making in Portland that would reduce the time in transit?

A. On which freight?

553 Q. On freight destined to points in Puget Sound, for example?

A. That freight would not be transferred to other equipment at Portland.

Q. Is it transferred at the present time?

A. In most cases, but not always.

Q. Why is it transferred at the present time?

A. Generally speaking, because it is not loaded in station order out of Medford.

Q. Couldn't you accomplish that saving in time now, under existing conditions, by loading it in station order out of Medford when it first comes into your equipment?

A. That could be done if there were different facilities in Medford, and a number of other things.

Q. What do you mean? If you had different facilities there yourself?

A. Yes. And we didn't have so much freight to transfer from one line to the other at the present time. It presents quite a problem in Medford, handling so much freight in limited time.

Q. But under the proposed plan, you would handle the freight from San Francisco to Seattle, without transfer of lading, the entire distance?

A. Yes.

Q. And that would present quite a problem in the loading of your traffic freight?

554 A. Yes, it does, but it is not a problem that we have not been faced with before, and it has been worked out successfully.

Q. But at the present time you have not been able to work it out on freight originating in the Bay area for Seattle?

A. We often do. It is quite usual to load freight at Medford for Seattle in through trailers, without transfer at Portland.

Q. Have you had any complaints from your Seattle shippers over a long period of time, complaining about the delay occasioned by your transferring of lading at Portland when shipments were destined to points south of Portland?

A. I wouldn't know; I have not, personally.

Q. The management of the company has never called that to your attention, or suggested that you try to work out some more speedy method of handling freight through your Portland terminal?

A. It has been often suggested, but when I have discussed it with our connecting carriers in San Francisco, it has not seemed practical to them, because of the San Francisco and Oakland pick-ups and other loading problems in San Francisco, to segregate the freight so that it would be possible.

Q. You segregate the freight yourselves at Medford when you load it in your truck?

A. Yes; but by the time, when it arrives on four or five trucks, so much time has elapsed that we could not make the through trailer connection to come into Seattle for a second

555 morning delivery.

Q. What is the average delay on your shipments from the south, that are transferred at Portland, destined to Seattle?

A. 13 or 14 hours.

Q. That condition has existed for some period of time?

A. It has existed over a period of years.

Q. I notice you say your present service from San Francisco Bay points to Spokane is 60 hours, whereas you now say that you can give that service in some 30 hours, or 32?

A. 36 hours.

Q. 36?

A. That is right.

Q. How do you account for that unusual difference in time?

A. Because of the delay in Portland, and of the delay in Medford, and of the late departure from San Francisco and Oakland. Actually, the departure from Oakland is the late one.

Q. Is there any more delay at Medford, under the present system, than there is at Portland?

A. No; but there is a substantial delay at Medford, although it is not as much as the delay at Portland.

Q. How much greater is the delay at Portland than the delay at Medford?

A. Several hours.

Q. How many hours?

556 A. I should say at least five or six; perhaps more.

Q. Now, there has been some testimony by shipper witnesses that I would like to ask you about. Just how would you propose to handle their shipments?

A. What shipments?

Q. We have had testimony from a shipper of frozen fruits and vegetables at Salem, concerning the handling of his shipments to California. Can you tell us how you would propose to serve such shipper who had less than truckloads or less than trailer loads of fruits requiring zero temperature to San Francisco or Los Angeles destinations?

A. On less than truckloads?

Q. Yes.

A. You mean, 100 pounds?

Q. 1,000 pounds, or 2,000-pound lots?

A. I don't think it would be practical to handle that type of commodity in that type of equipment, unless you had other shipments requiring that temperature which would be put into that unit.

Q. Why would it not be practical?

A. For example, the cost of operating a unit would be too much to justify it, assuming that zero temperature is required.

Q. How would you handle shipments of butter and dairy products and fresh vegetables and fruits that required some

557 temperature protection, and yet would not require freezing, if you had at the same time demands for small lot ship-

ments of fresh frozen fruits such as I have described, to move on the same day?

A. You would put one in the truck and one in the trailer, maintaining different temperatures in the two.

Q. But you would have to have, in order to make it economical, full truck and trailer loads of the commodities requiring those temperatures?

A. We would not necessarily have to have full truck and trailer loads, but it would have to be at least 7,500 or 8,000 pounds; although, it would be possible to combine a number of small shipments on the same day.

Q. Now, if you had a call from the Western Paper Converting Company for transportation service, on two ton lots of fruit labels, and supplies, destined to San Francisco; on which, if any, of these runs would that shipment be transported?

A. That would normally be transported on the Portland-via-Medford-to-San Francisco piece of equipment.

Q. You would not hold that shipment—you would not haul that shipment into Portland for loading, but would stop the truck en route for loading?

A. We have a truck that leaves Portland every evening that makes all the pick-ups ahead for Eugene.

Q. Then you would pick that up on this early departure
558 truck and haul it to Eugene, where it would be transferred to the through truck?

A. If it was a shipment as much as two tons, we wouldn't do it; we would pick it up on the through piece of equipment.

Q. But on a smaller shipment?

A. On a smaller shipment, it would move to Eugene, where it would be put on the through truck.

Q. Wouldn't you encounter some difficulty in placing the shipment in the right order on the truck for unloading, assuming you had shipments on the truck which were to be unloaded at Redding or at Red Bluff?

A. Yes, and that is one of the main reasons for taking that type of shipment into this small one, to Eugene, because there we have a large crew available to do work of that kind, to put it in station order more rapidly than the driver can himself. There is also room——

Q. Then, as a practical matter, the fact that you are operating through the territory from Portland via Medford to San Francisco does not mean that a substantial portion of the tonnage handled on the through truck would not be handled or moved several times before it reaches its destination?

A. A certain portion of the goods will be. The bulk of the goods would not be, of course. But a substantial portion would very likely be moved at least once.

Q. As a practical matter, I assume you have had no great
559 difficulty, or no great damage has occurred as a result of the natural and necessary rearrangement of the freight in your trucks in order to facilitate the unloading of freight at destinations, upon arrival?

A. No, we have not, although we keep the rearrangement to a minimum, and reload as little freight as we possibly can.

Q. You have heard the testimony of Mr. Duncan of the Bemis Bag Company in Seattle, who was interested in occasional expedited service in the shipment of bags from Seattle to Klamath Falls and Medford?

A. Yes.

Q. Can you tell us how such an arrangement would be handled by your company under your proposed schedule?

A. The equipment would leave Seattle in the evening and go directly through Eugene and Medford, on its way through Klamath Falls to San Francisco.

Q. You would expect to handle such commodities as bags on your "hot shot" San Francisco from Seattle schedule?

A. Yes, we would; particularly to such a point as Klamath Falls, which is the logical point at which a driver can eat, and where we maintain a crew where they could unload.

Q. You would do the same thing to Medford?

A. To Medford it would be later, because it would go down on the return truck from Portland through Medford to San Francisco.

560 Q. The reason for that is that you would have two services to Medford as compared with one to Klamath Falls?

A. There would be two services to both places, a truck leaving in the morning for Klamath Falls and Medford.

Q. How many stops do you contemplate you would make between Seattle and San Francisco, while maintaining this "hot shot" schedule which you contemplate?

A. About five or six.

Q. What do you estimate would be the average time per stop?

A. The average time would be probably a little less than 30 minutes. Fortunately, it is possible to work it out so that the driver eats while the truck is being fueled at this point.

Mr. ELLIS. That is all I have.

Cross-examination by Mr. HEDGES:

Q. If I understand you correctly, Mr. Snead, a truck leaving San Francisco, which you have described, is going to travel through Medford to Portland, and is going to handle local business between

Medford and Portland. Actually, you would handle all your local business by transferring the freight at one or two points between Medford and Portland. Is that a fact?

A. Yes.

Q. And from those one or two points——

A. Three points.

561 Q. What would they be?

A. Medford, Roseburg, and Eugene. It would make a stop at Grants Pass, but not to transfer to local trucks.

Q. In any event, freight for all the local points would be handled, as a practical matter, by interchange at any one of those points?

A. Yes.

Q. And the freight would be physically rehandled at those points, and would go back or forward, as the case may be, to ultimate destination?

A. That is correct, it would go forward or back, except in case of larger shipments.

Q. That is purely a matter of economics, as to which is the more feasible?

A. Yes.

Q. The same would be true in the reverse direction, southbound?

A. Yes.

Q. Would that likewise be true on the route which you have described between San Francisco and Seattle?

A. Yes; to a certain extent.

Q. Maybe not the same number of points, but the same condition would prevail?

A. The same condition would prevail.

Q. And likewise between San Francisco and Spokane?

A. Yes.

562 Q. Then, as a matter of fact, Mr. Snead, as purely a practical matter, freight is handled as little as possible?

A. Yes.

Q. Because it costs money to handle it?

A. Yes.

Q. But in your operation you find it necessary to handle it more than you like to, or more than the shipper would like to have it handled?

A. Yes; many times.

Q. Practically all the time?

A. We would like to handle it only once in and once out.

Q. As a matter of practical operation, you would like to pick it up at origination and leave it go to destination, if it was practically possible?

A. Yes.

Q. Now, in the saving of time which you have described—referring to the Bay area—could be effected by the connecting carrier if the schedules which you have described now between San Francisco and the points in the Northwest could be made by interchange of either trailers or both motive power and trailers at Klamath Falls and Grants Pass, the operation would be just as economical as that which you have described?

A. If you could reach that utility; yes.

Q. If you could reach that utility?

563 A. Yes.

Q. You have said that the capacity of your equipment is 12 tons?

A. Yes.

Q. How much is on the truck, and how much is on the trailer?

A. About four and eight.

Q. Four on the truck and eight on the trailer?

A. Yes.

Q. So that, if you exchanged trailers alone, you would be eliminating the handling of approximately two-thirds of the tonnage interchanged?

A. That is true.

Q. I don't think anybody has said whether you have refrigerators on your trucks?

A. We do, on some.

Q. How much of the equipment on this run would be refrigerated?

A. Some would be, and some would not be.

Q. I think you said there would be about 14 trucks and trailers—14 pieces of equipment assigned to these runs?

A. Yes.

Q. Did that include the Marshfield run?

A. Yes.

Q. I assume two would be assigned to that run?

A. Yes.

Q. How many pieces of motive power will have refriger-

564 ation in them?

A. That would be determined a great deal by the amount of traffic that is available.

Q. You haven't yet decided that?

A. We haven't yet decided that; no, not definitely.

Q. In other words, the survey of the tonnage you are going to move is not yet disclosed?

A. It has disclosed that all the trailers should be refrigerated, but as to the trucks, I don't know as yet how many should be refrigerated, or would require refrigeration.

Q. I don't want to go over anything Mr. Ellis has gone over, but I would like to know how you are going to handle two different commodities requiring refrigeration of a different temperature, on the same piece of equipment. I am not going into the details of where it is going to be picked up. I am assuming, for the sake of my question, that it is going to be offered to you.

A. We have some movable partitions which we frequently place in the trailer, which causes the temperature to be lower ahead than behind.

Q. Is the temperature in both partitions controllable?

A. In front it is controllable, and the temperature in the rear is considerably lower, but is not controllable with accuracy.

Q. There has been some question about shippers, whether
565 they would like to have their commodities handled with fish. Does the Consolidated Freightways transport any fish between Oregon and Washington points to California?

A. No; we do not.

Q. Are you familiar with the fact as to whether you hold yourselves out to do that?

A. I don't know.

Q. You don't know whether you have rates on file covering such movements?

A. No; I do not.

Q. Are you familiar with the policies of your company, sufficient to know that if a shipment of that kind were offered you, whether you would take it?

A. I doubt very much if we have any equipment which was intended to handle such commodities with butter and eggs.

Q. Mr. Snead, at the present time all traffic coming to you from California is given to you at a single point?

A. At two points; Medford and Klamath Falls.

Q. At least there is a point of interchange on each of these two routes which is normally used with your connecting carriers?

A. Yes.

Q. Now, as a matter of practice, isn't it a great deal easier to route your shipments as you load them at your points of interchange than it would be as you picked them up along the line; even assuming that you have a point where you con-
566 solidate those shipments?

A. That would be true if it was originally routed in the Bay area, but the trucks come into Medford and Klamath Falls with some freight for each of many points, and they come in some little time apart, under normal conditions.

Q. If the Oregon-Nevada-California Fast Freight operated between San Francisco and Medford and Klamath Falls with the traffic that now is interchanged with you, in the manner which you

now propose to operate, you could effect that transfer in a very practical manner, couldn't you?

A. If they did exactly as we have outlined, and if other things, such as through billing, were worked out.

Q. Are you familiar with all the billing requirements?

A. No; I am not.

Q. Familiar enough to know whether that could be accomplished?

A. I am not familiar with it enough for that. I know a great deal of our delay comes from that source, but I am not familiar with the actual practice.

Q. You rebill as well as rehandle at these points, instead of using through billing?

A. That is correct. I think we have done some through billing.

Q. That would not be in connection with shipments handled by the Valley Express, would it?

A. I don't know. But I think we have done some through
567 billing in connection with shipments handled by the Oregon-Nevada-California Fast Freight. I am not sure to what extent, but I am sure we have done some through billing with them.

Q. In your experience, not only on these routes, which you are proposing in this application, but throughout your system you have, have you not, a great many times experienced difficulty in picking up freight by line haul trucks, out of order, in such a manner that you had to take the shipments off and place them back in proper order?

A. That has happened.

Q. That is a normal condition in the business?

A. Yes; that happens. However, that is one thing we try to avoid. We use side doors and leave room on the truck for pick-ups, and so forth.

Chairman TERRIL. Is that all, Mr. Hedges?

Mr. HEDGES. Not yet.

By Mr. HEDGES:

Q. You have stated that you have a maximum of 12 tons capacity on these units.

A. That is right.

Q. As a matter of fact, it is rather common for operators operating equipment complying with the laws of this State, as well as the laws of the State of California, to have a capacity as high as 15 tons?

A. I don't know what other carriers do, but I am thoroughly familiar with the laws here, and I know, with adequate
568 brakes and power, we have not found it practical to carry over 12 tons. But that same equipment is restricted to 52,000 instead of 54,000 when we get to California.

Q. And what is the weight of your refrigerating unit? Does that have anything to do with your carrying capacity?

A. Yes.

Q. How much does it weigh?

A. Around 800 pounds to the unit.

Q. That is the maximum tare weight of the equipment?

A. Not the maximum; some run higher than that.

Q. Is that the average?

A. That is the average, I think; they will run around 800 pounds.

Mr. HEDGES. That is all.

Chairman TERRIL. We will recess for ten minutes.

(Recess.)

Chairman TERRIL. Let us proceed, gentlemen.

Cross-examination by Mr. FARRENS:

Q. Yesterday Mr. James testified that the object of an organization called "Freightways" was the improvement in efficiency in interchanging and handling freight between carriers, and that he had requested the Oregon-Nevada-California Freight Lines to join that organization, and that they had failed to do so, and that in the event that they had joined this application would not have
569 been filed. I assume you are familiar with that organization, are you not?

A. I am familiar with that organization; yes.

Mr. SCHAFER. Before the witness answers further, I would like to object on the ground that Mr. James' testimony is not being represented accurately to this witness.

Chairman TERRIL. Can you state what the purpose of this "Freightways" is?

Mr. SCHAFER. He stated what the purpose was, but he didn't state as a definite thing that if the Oregon-Nevada-California Fast Freight had become a member of the Freightways, this application would not have been filed.

Chairman TERRIL. When you say a member of the "Freightways," what do you mean?

Mr. SCHAFER. Mr. James described "Freightways" as a voluntary organization of member lines.

Exam. KEPHART. Subordinate to the "Freightways"?

Mr. SCHAFER. Not subordinate, but just cooperative, connecting lines.

Exam. KEPHART. Not owned or controlled?

Mr. SCHAFER. No ownership or control, and no exchange of stock whatever.

Chairman TERRIL. You may proceed.

By Mr. FARRENS:

Q. Now, in what manner does "Freightways" propose to effect these economies?

A. I am not familiar enough with the Freightways or its
570 functioning. Mr. James can state that better than I can. I know that the carriers with whom we have been associated in Freightways, I have been working with them in trying to get——

Q. What I am trying to get at is—could the joining of the Oregon-Nevada-California Freight Line to this organization have affected the things that you propose to bring about by this organization?

A. That I don't know. That would depend on the attitude that that company took to the achieving of the things that we have discussed awhile ago, that are necessary to give this particular service.

Q. If the Oregon-Nevada-California Freight Line and your company were to completely cooperate, couldn't they bring about precisely the same service which you have outlined in your testimony relating to these schedules?

A. The Oregon-Nevada-California Fast Freight does not have a permit up 101 to Marshfield, nor do they have one into Lakeview. But assuming only the Medford-Klamath Falls phase or portion, assuming complete cooperation that way; yes.

Q. Has the lack of that cooperation been entirely on the part of the Oregon-Nevada-California Fast Freight?

A. I think it is a physical difficulty, and the thing that would make problems would be the question of the motive powered
571 trucks going through by two lines, owned by only one, and that involves problems of maintenance. It would be much the same as a railroad engine going onto another railroad. It is a thing that presents a great many problems.

Q. Has your company attempted to induce the Oregon-Nevada-California Fast Freight to cooperate with you in these rates?

A. We have been cooperating with each other in many ways; but we have never gone far enough, nor have we thought it practical to go far enough, to produce the results that we want to achieve by securing these runs.

Q. Have you exhausted your ability to cooperate with the Oregon-Nevada-California Fast Freight to achieve these schedules that you are suggesting in connection with this application?

Mr. SCHAFER. I am going to object to that as not proper cross-examination. Those questions were not asked this particular witness. This man is a technical witness to determine the practicability of the schedules proposed, and now he is asking management questions only.

Chairman TERRIL. Is that within your province?

The WITNESS. No. I have nothing to do with that.

Chairman TERRIL. The objection is sustained.

By Mr. FARRENS:

Q. As a technical man, I understood you to tell me that the cooperation between the two companies could effect the
572 economies which you have proposed as to the extension application with respect to Medford and Klamath Falls?

A. If that cooperation would result in the exact operation that I have outlined as our proposal.

Q. As I understand you, you don't know whether that cooperation has been attempted?

A. I have understood, purely as hearsay, that it has been, but that is purely hearsay on my part.

Q. Does the supercharging of motors add efficiency to the motors when they are operating on the level?

A. On the level?

Q. Yes.

A. It gives them more pick-up in slowing down or speeding up; it doesn't take them such a distance to speed up. However, it does not increase the top speed at all.

Q. When you prepared your schedules from San Francisco to Coquille, what did you do in going about the preparation of that schedule, in the way of investigation?

A. I took the mileage and the terrain and went over our records on similar terrain and similar mileages, over a great many thousands of miles, and ascertained what, in my opinion, would be the approximate driving time required.

Q. Did that investigation on your part involve making a trip over Highway 101 between those points?

A. I have made a trip over Highway 101, with that thought in mind.

573 Q. With these schedules in mind?

A. Yes.

Q. When you made up the schedules between those points, which is reflected by Exhibit for identification No. 2, did you make up the time schedules from town to town?

A. Not from the smallest towns, but only from the main or division points.

Q. Now, for example, you start this schedule from Oakland, do you not?

A. Yes.

Q. Do you then go from Oakland across the Bay bridge into San Francisco?

A. No. You are referring to Marshfield?

Q. Yes.

A. Oh.

Q. You go across the Bay bridge to San Francisco, and then cross the Golden Gate bridge going north back to Sausalito?

A. We come back over the Golden Gate bridge.

Q. What is the distance from the starting point, from Sausalito to that point?

A. I don't recall.

Q. Page 10, Exhibit 2 for identification, shows 9 miles?

A. That is mileage from San Francisco proper. It would be not quite 18 miles—I should say, offhand, 16 miles.

574 Q. Now, when you prepared that schedule, did you set up any time showing that method of movement from Oakland to San Francisco and back to Sausalito?

A. No.

Q. Between what points did you show time on your schedule?

A. The next time I showed, in figuring it, was to Eureka.

Q. Eureka?

A. That is right.

Q. What time did you plan on leaving Oakland on that run?

A. At seven o'clock in the evening.

Q. What time did you plan to get into Eureka?

A. Six o'clock in the morning.

Q. And what time out of there?

A. Out of there in about fifteen minutes.

Q. Would there be any lay-overs at any point between San Francisco and Eureka?

A. No.

Q. You would have your driver drive continuously eleven hours, from seven p. m. until six a. m.?

A. No. I would not have the driver drive continuously eleven hours; he would have to stop for meals and rest.

Q. Where would the driver stop for meals and for rest?

A. That is up to the driver. We don't specify unless it is a point where we handle freight.

Q. You handle freight between San Francisco and Eureka and intermediate points?

A. Yes; such as there is; there is very little.

575 Q. Then where do you figure the time from—leaving Eureka at 6:15 a. m.; is that right?

A. Yes.

Q. Where do you next figure your time?

A. Marshfield.

Q. Arriving there when?

A. 3 o'clock.

Q. In the afternoon?

A. Yes. In actual practice I think we will better that, on both divisions, by a little. This is a very loose schedule.

Q. When you made that schedule between San Francisco and Marshfield, did you study the schedules of any of the operators now operating on that route?

A. No; I did not, because I don't believe there is a regularly scheduled operator operating over that route.

Q. Well, did you study the schedule of any regularly scheduled operator operating between San Francisco and Eureka?

A. No; I did not.

Q. So this schedule is made up purely on the basis of your judgment as compared with your schedules in other parts of the country, on more or less similar terrain?

A. Yes; that is true.

Q. Where, in other parts of the country, do you find more or less similar terrain?

A. We find more or less similar terrain on the Columbia River Highway; and we find more or less similar terrain between
576 Drain and Marshfield.

Q. Those are the places that you used for comparing?

A. That and the discussions that we had with our driver—inspector, who is even more familiar with the operation of this type of equipment than myself, and he discussed it with me at great length.

Q. Mr. Snead, I would like to see the time schedule which you prepared, which formed the basis for these schedules on Exhibit 2.

A. I haven't that with me.

Q. Can you produce them tomorrow?

A. I think so. I think Mr. Weisler has that; if he has not, I certainly can find them somewhere. I don't know that they are particularly pertinent, but I think they can be produced.

Q. What is your northern terminal on this Coos Bay run?

A. Marshfield.

Q. How is that?

A. Marshfield.

Q. You will run from Coquille to Marshfield, in addition to the service that you are now giving between Coquille and Marshfield?

A. Yes.

Q. Now, you said that you would operate a semitrailer between Sacramento and Redding, and I understood you to say that it would be used for straight loads. Will you explain how
577 that can be done, when the loading will be, for example, north-bound, intended to go to points in eastern Oregon, western Oregon, or to the Spokane and Seattle territory?

A. In the event we wish to go through, when we reach Redding, a dolly would be put under the semitrailer, and San Francisco would be notified to pick up the semitrailer.

Q. Let's see if I understand that. You would only run it from Sacramento to Redding except when you had straight loads, when it would be run beyond Redding, when you are able to load it completely for destinations beyond Redding?

A. We would run it every day, but the trailer would only go beyond Redding when we had straight loads.

Q. For a single point?

A. For a single point.

Q. And your truck would have to go by Sacramento rather than by Davis Junction?

A. It is a sort of shuttle service between Sacramento and Redding.

Q. You said your leaving times from Oakland would be between six and eight p. m.?

A. That is true.

Q. If that is true, what would be your cut-off time for receiving freight for loading at San Francisco?

A. A little before five.

Q. How much before five would you say?

578 A. I should say about four-thirty.

Q. Do you intend to take freight—do you intend to have any freight station in San Francisco at all?

A. It would be necessary to have a place for accepting telephone calls, and things of that sort.

Q. Is that all? Wouldn't you have to have a place at which shippers could deliver their own goods?

A. Yes. We would have to have a place of that sort.

Q. You would close that at four-thirty?

A. Yes; at four-thirty, or certainly not later than five.

Q. Now, out of Portland south-bound, when you start the trucks which move via Klamath Falls, when would they move?

A. About four-thirty in the morning.

Q. When will you start one which leaves via Medford?

A. About eight o'clock in the morning, normally; perhaps a little earlier.

Q. Now, will those two departures connect with trucks coming from Seattle to Portland?

A. The first one will be the truck from Seattle.

Q. It will go right on through?

A. Yes; it will go right on through.

Q. And if there are shipments from Seattle to Medford and points intermediate between Medford and Portland, they would be unloaded from that truck and put onto the Medford truck?

A. Yes; that is true.

579 Q. Would some of that freight from Seattle come down on the afternoon of the preceding day, on some other schedule?

A. It is not very likely. We do not maintain such a schedule regularly, and we do not contemplate one.

Q. Normally, what proportion of the freight which comes to Portland for movement for points south of Portland would go via the Medford route and what proportion via the Klamath Falls route?

A. Normally, about 85% of it would go on the Klamath Falls route.

Q. Because it would be destined to points south of Klamath Falls?

A. Yes.

Q. And then you would have only about 15% or 20% of the traffic to take on the truck via Medford?

A. Yes; if that much.

Q. You would have no morning schedule out of Seattle?

A. No.

Q. Now, would you have any night schedule out of Portland to points on the Pacific Highway south of Portland in Oregon?

A. Yes; of course.

Q. And would they handle freight from Seattle to points intermediate between Seattle and Portland?

A. It might.

Q. When would that freight come down to Portland from the northern points?

580 A. Generally speaking, the freight from Seattle and those points would be on the truck that would go through.

Q. Would there be any other truck that goes through from Seattle to Medford?

A. No.

Q. That is what I am talking about. If you have got a truck that leaves Portland at night destined to Portland and Grants Pass and that territory, what freight from points north of Portland would be handled on it, if any?

A. Normally, it wouldn't handle any.

Q. It wouldn't handle any?

A. That is right.

Q. Then when would the freight which would be originated at Seattle be delivered to destinations on the Pacific Highway between Portland and Medford?

A. As soon as possible when the truck passed through that point south-bound.

Q. Say, Medford. When would that be?

A. Medford would be in the very late afternoon.

Mr. FARRENS. That is all.

Chairman TERRIL. Mr. Perry?

Cross-examination by Mr. PERRY:

Q. The truck leaves eight o'clock in the morning going to Medford?

A. Or a little earlier.

Q. What time does that truck get into Roseburg?

581 A. In about seven hours.

Q. About seven hours?

A. A little less than that; six and one-half.

Mr. BEROL. May I ask if Mr. Snead is going to be available in San Francisco?

Mr. SCHAFER. It was my intention to put on shipper witnesses in San Francisco, of course. It was my purpose to put this witness on to show the practicability of these schedules, in his estimation, and he is the best qualified witness I have on that point. There will be other testimony——

Mr. PERRY. May I ask Mr. Schafer whether or not he is going to present a time schedule in support of the proposal?

Chairman TERRIL. Just a moment. Do the rest of you gentlemen expect any extended cross-examination of this witness?

Mr. BEROL. If Mr. Snead will be available in San Francisco, I could confine my cross-examination to about ten minutes.

Mr. PERRY. If the applicant is going to present the time schedule in support of the proposal, I can cut down my cross-examination right now.

Chairman TERRIL. How about it, Mr. Schafer?

Mr. SCHAFER. Well, I am not certain. Perhaps he can be there.

Mr. PERRY. Will the witness be available at San Francisco for cross-examination on Exhibit No. 2 and the timetable?

Mr. FARRENS. I am particularly interested in the time schedule, and I have cut short my cross-examination on the
582 understanding that a more definite schedule will be furnished.

Chairman TERRIL. As I understand it, Mr. Berol's stipulation was on the ground that he would be available.

Mr. FARRENS. That is the reason I cut short my cross-examination.

Mr. PERRY. That is my position on it exactly.

Chairman TERRIL. We may as well go off the record.

(There was a discussion off the record.)

Mr. FARRENS. We will either have to complete the examination now or tomorrow after the schedules are produced, or at San Francisco.

Examiner KEPHART. How long will it take you to prepare the time schedule?

Mr. SCHAFER. I don't think we want to prepare time schedules. Our Exhibit No. 2 shows the proposed service and the approximate delivery times at destinations. We don't operate time schedules where we flag through a certain town at a certain minute; we don't operate that way. We have put on the best evidence that we have, that we can perform the service which we propose, and our Exhibit No. 2 shows what the schedule will be, or what the service will be.

Mr. FARRENS. That is not the best evidence.

Examiner KEPHART. As I understood the witness, he said he had the information from which this exhibit was made up?

The WITNESS. I don't recall saying that. I said that I thought I had it, and that I would see if we had it.

583 Mr. ADAMS. Didn't Mr. Hoffman have a schedule from Portland to San Francisco, and Coos Bay to San Francisco, that he said was handed to him by the applicant?

Mr. FARRENS. That is what I understood.

Mr. SCHAFER. I will confess that Mr. Hoffman had something that was typewritten, which I never saw, which may have been handed to him by some solicitor calling upon him, but I had never seen it.

Mr. ADAMS. Does counsel disagree with the two time schedules from which Mr. Hoffman testified yesterday?

Mr. SCHAFER. How is that?

Mr. ADAMS. Do you disagree with the two time schedules from which Mr. Hoffman testified yesterday that he so heavily relied upon in his testimony?

Mr. SCHAFER. I don't know where he got them, whether he typed them himself, or whether our agent called upon him.

Mr. ADAMS. I just asked you if you disagreed with the accuracy of them.

Mr. SCHAFER. I didn't even see them.

Chairman TERRIL. The Board is not going to require you to prepare time schedules here unless you so desire. On the other hand, I don't desire to limit unnecessarily the cross-examination of this witness. I was trying to shorten the time for the benefit of everyone concerned.

Mr. FARRENS. I want to service notice on counsel and advise the Board that this is merely a summary and not the sched-

584 ules, and that the introduction of the exhibit will be opposed as being a self-serving declaration and not as a showing of facts. That has not been received yet, and I also want to

say that this witness will be examined page by page through this thing, if it is necessary to do it, to find out what the schedule will be.

Mr. SCHAFER. I contend that Mr. Snead's testimony under oath constitutes the facts, and that is all I can say. You can cross-examine on his testimony.

Mr. FARRENS. I don't believe you can produce time schedules that will support exhibit No. 2.

Chairman TERRIL. Go ahead with your cross-examination, Mr. Perry.

By Mr. PERRY:

Q. This truck arrives in Roseburg in approximately seven hours from the time it leaves Portland?

A. Or a little less.

Q. Leaving at eight o'clock in the morning?

A. That is right.

Q. Which would put it in Roseburg about three o'clock?

A. Or a little later.

Q. Approximately what time will this truck leave Portland, did you say?

A. Eight o'clock in the morning.

Q. Then the truck leaving Portland at eight o'clock in the morning will arrive in Roseburg just when?

585 A. If it leaves at eight o'clock, Portland, it would arrive at Roseburg around three-thirty or three-forty-five.

Q. Three-thirty or three forty-five?

A. That is about right. No, I may be wrong there; two-thirty to two forty-five.

Q. In the afternoon?

A. Yes.

Q. When will this truck arrive in Medford?

A. About seven.

Q. About seven o'clock that same evening?

A. That is right.

Q. When will it leave San Francisco?

A. Just as soon as it can clear Medford; half an hour to forty-five minutes.

Q. It would leave at eight o'clock?

A. Certainly not later than eight o'clock.

Q. What time will this schedule arrive at your terminal in Oakland?

A. Somewhere in the early morning; eight to nine; something of that sort.

Q. Are you operating a daily service between Marshfield and Portland by way of Roseburg?

A. Yes; we are.

Q. Do you expect to continue that operation?

A. Yes.

586 Q. What time does your equipment leave Marshfield for Portland?

A. For Portland?

Q. Yes?

A. It leaves Marshfield around six o'clock in the evening.

Q. Do you have a local that runs between Marshfield and Roseburg?

A. No. The truck that runs from Portland through Roseburg makes local stops.

Q. At the present time are you running a schedule from Marshfield to Medford?

A. No regular daily schedule; only when there is a full load.

Q. Only when there is a full load?

A. That is right.

Q. Is it not possible to handle your Coos Bay freight through Roseburg in the same length of time to San Francisco as you would over United States Highway 101?

A. If you had through equipment, you almost could. It is a little farther; it is a little slower way.

Q. A slower road which way?

A. Through Roseburg.

Q. The route from Coos Bay to San Francisco is slower by way of Roseburg and Medford?

A. For a truck; yes. There are several mountains to climb.

Q. Have you made an analysis of Highway 101?

587 A. I have been over it once, enough to show me conclusively that a truck will make pretty good time on it.

Q. How long ago was that?

A. It was several years ago. I made it at that time with the thought of the time that trucks could make.

Q. How many years ago?

A. It is five or six, anyway.

Q. Mr. Snead, on Exhibit No. 2, from what information did you compile your columns, and referring particularly to the one headed "Present Service," starting on page 25, and going through 31?

A. I did not compile that information myself, but it is, quite apparently, compiled from the service that is normally given by our lines in conjunction with the Oregon-Nevada-California Fast Freight.

Q. What part of this did you compile?

A. As I have testified before, I did not compile anything in this exhibit itself. I compiled, purely and simply, the informa-

tion as to the arrival times at destination out of San Francisco, from which these were prepared.

Q. Then you are not competent to testify as to the correctness of Exhibit No. 2; is that correct?

A. I have examined it, and I believe it is substantially correct. There may be some typographical errors, but it is substantially correct.

Q. And you did not prepare any of the information that
588 is in it?

A. I did not prepare Exhibit No. 2 at all.

Q. Then you are not competent to testify as to its correctness?

A. I am merely testifying as to the schedule it is possible for us to make, and the time it is possible for us to make delivery at certain points out of San Francisco.

Mr. PERRY. That is all.

Cross-examination by Mr. HICKSON:

Q. I believe you estimated the running time between San Francisco and Marshfield as eighteen hours?

A. No; I was referring to Coquille.

Q. You were referring to Coquille?

A. Yes.

Q. That is how far south of Marshfield?

A. From eighteen to twenty miles, I believe. I can verify the exact mileage—eighteen miles.

Q. What did you say the running time between Oakland and Marshfield would be?

A. Oakland and Marshfield?

Q. Yes.

A. It would be about nineteen miles.

Q. Do you know what the distance from Oakland to Marshfield is as compared with the distance from Oakland to Marshfield via—I mean, comparing the distance via 101 as compared
589 with the distance via Medford, from Oakland to Marshfield?

A. I can compute it here very quickly.

Mr. SCHAFER. You tell us, Mr. Hickson, and we will take your word for it.

Mr. HICKSON. I don't know. I thought, according to the schedule shows—

The WITNESS. I can compute it.

By Mr. HICKSON:

Q. It is 151 miles from Grants Pass to Marshfield, is it not?

A. I don't have the figures. That sounds about right.

Q. And 425 miles from Grants Pass to San Francisco?

A. It is 591 miles as compared with 543.

Q. 591 compared with how much?

A. 543.

Mr. ELLIS. Which is longer?

The WITNESS. The Roseburg-Medford is the longer; that is, if my figures are correct.

By Mr. HICKSON:

Q. I was interested in knowing just how you arrived at your conclusion as to what the running time would be between Oakland and Marshfield over 101. As I understand it, six years ago you went out and drove a truck over the highway 101?

A. No; in my own car.

Q. Were you making it for any particular purpose?

590 A. As I normally do, when I drive a strange road, I was examining the terrain, and the various peculiarities of the road, trying to determine how long it would take to drive a truck over that route.

Q. And that was more than six years ago?

A. Five or six years ago.

Q. And you determined then how long it would take to drive a truck from San Francisco to Marshfield?

A. Yes.

Q. And what did you determine?

A. Nineteen hours to go from San Francisco to Marshfield. I know the road has been improved since then, but I want to be conservative.

Q. What formula do you have for estimating the time on a highway?

A. I don't know as there is any exact formula. You drive over a highway and you see the grades, the curvatures, the general terrain. I have estimated them many times. Some roads lend to greater speed than others. They can be classified.

Exam. KEPHART:

Q. Do you classify them as first best, second best, third best, and so on?

The WITNESS. Yes; we classify them.

By Mr. HICKSON:

Q. And you feel that you can average a certain speed?

A. Yes.

Q. And you arrive at an average after you look the road?

591 A. That is right, in any country there is variation. For instance, from Arlington to Umatilla, you can average thirty-four miles an hour.

Q. That is within one mile an hour of the maximum speed allowed under the most favorable conditions?

A. That is true.

Q. What did you take as a basis on the No. 101 Highway, the Coast Highway?

A. I figured that something less than thirty.

Q. Something less than thirty miles an hour, as an average?

A. That is right; slightly less.

Q. How much less?

A. Well, figure it out. Thirty miles an hour would mean 570 miles. It is 543 miles.

Q. What does that bring it to?

A. If you have a slide rule, I can figure it out to a fraction.

Q. You mean that you have to maintain a speed of approximately thirty miles an hour from Oakland to Marshfield, to make that schedule?

A. Yes.

Q. And do you know what the maximum speed for trucks in California is today?

A. Thirty-five miles, so far as I know.

592 Q. How much is it for a truck and trailer?

A. Thirty-five.

Q. That is the same as Oregon, is it?

A. Yes. Obviously that is not being enforced, nor is it practical to enforce it. If it were, I don't think you would have many of the people now in the trucking business operating.

Q. To maintain an average speed of thirty miles an hour on a distance of 550 miles, there would be times when you would have to travel fifty miles an hour?

A. Our equipment will not travel over forty-five miles an hour, because it is mechanically governed.

Q. It is mechanically governed?

A. Yes.

Q. And it is imposible to drive it at a speed in excess of forty-five miles an hour?

A. That is right.

Q. But it is possible to drive it at a speed of forty-five miles an hour?

A. Yes. And it is a custom for truck drivers to drive from forty to forty-five miles.

Q. How does that compare with Highway 99, so far as width is concerned?

A. Highway 101?

Q. Yes. How does that compare with 99 as to width?

593 A. It is somewhat narrower.

Q. They run the big Greyhound buses from San Francisco over it?

A. Yes.

Q. It is, a scenic highway, used by tourists?

A. Yes. So is 99.

Q. So far as curvature is concerned, there is considerably more curvature on 101 than on 99?

A. Yes, there is considerably more curvature, but less grade. Grades, after all, affect trucks much more than curves.

Q. Do you know what the schedule of the Greyhound buses is between Marshfield and San Francisco at the present time?

A. No; I don't.

Q. You don't know?

A. No.

Q. Are you familiar with schedules from San Francisco to Elko, Nevada?

A. Yes.

Q. How far is that?

A. 540 miles.

Q. 540 miles?

A. That is correct.

Q. What is the driving time there?

A. The driving time there will range from—It will run about eighteen hours and thirty minutes.

Q. That country is much easier to drive in than 101, isn't it?

594 A. The road from San Francisco to Reno is the slowest road we have. That is because of the elevation. There is an elevation of 7,135 feet at the Summit, and it takes four hours and forty minutes to climb one grade.

Q. Now, Mr. Snead, did you make any notes at all on your observations on 101?

A. No notes.

Q. No notes?

A. No, sir.

Q. You made no notes at all at the time you looked over the highway?

A. Not particularly.

Q. Were you contemplating at the time using your observations as testimony in a hearing before the Interstate Commerce Commission or any other body?

A. No; I was not.

Q. Now, the fact of the matter is, you sat down and routed the Consolidated Freightways, in making up this schedule, just at the distances and the speed you could make?

A. No; hardly that. I estimated that rather carefully. I think the times can easily be made.

Q. You didn't contemplate running over 101 to San Francisco six years ago, did you?

A. No; we did not.

595 Q. Did you talk to any of the truck drivers that have driven over that route about the schedule that you expect you can make, or what speed you think you can make?

A. Oh, I have talked with people who have driven over it recently, in cars, and they tell me what speed they have made, and what they have done, and places where the road has been improved. Of course, I am aware of that.

Q. Don't you think you would have got better information from some one who had driven a truck or trailer over that route?

A. I have talked with several drivers who have driven it in trucks, but I wouldn't say that we could use that particularly as testimony.

Q. Just one more question. I want to be clear on this. Your time schedule indicates that you are going to serve all intermediate points between San Francisco and Marshfield. Is that a fact?

A. Yes; it is a fact, although, in practical application, you don't make a pick-up at every town that you go to, on a road like that; it is very unlikely that you make a pick-up or a delivery at every town.

Q. Are you going to offer that service, that you will stop at every town that is between Marshfield and San Francisco?

A. Yes.

Mr. HICKSON. That is all.

Cross-examination by Mr. BEROL:

596 Q. Mr. Snead, I am interested in your proposed terminal arrangements in Oakland. If and when you have that Oakland terminal established, would you maintain an additional terminal in San Francisco?

A. I think it would be more proper to say we are not, except that we might use some existing terminal for pick-ups and deliveries.

Q. It would be your purpose to maintain pick-up and delivery equipment in San Francisco as well as Oakland?

A. Those shipments would be unloaded and distributed to the road equipment in Oakland.

Q. What is the driving time of the pick-up and delivery equipment from the terminal such as you propose in San Francisco to the proposed terminal in Oakland?

A. Less than half an hour.

Q. At what time of day would you expect to make your last pick-ups in San Francisco?

A. Five o'clock.

Q. At what time of day would you expect to make your last receipts, or take your last receipts, of freight from shippers at your San Francisco terminal?

A. Five o'clock, or, as I have said before, it might work out that it would be four-thirty; that is an operating problem.

Q. Do you know what the practice is at the present time as to how late the freight is received or picked up at San Francisco for northern destinations?

A. It is very close to five o'clock. I am quite sure that
597 it is around five o'clock, although I don't know what it is to the northern destinations, because we do not operate now to those destinations. Our own pick-ups for points east of San Francisco are approximately five o'clock.

Q. You don't know that the Oregon-Nevada-California Fast Freight picks up shipments as late as six o'clock in the evening?

A. No.

Q. And will receive shipments as late as six-thirty in the evening?

A. I don't know that they do it, but I can believe it.

Q. As to any shipments that would require either pick-up or tender at your terminal after five o'clock, what would happen to those shipments?

A. What would happen to those shipments?

Q. Yes.

A. That would be delivered to the terminal in San Francisco after five o'clock?

Q. Yes.

A. They would go out the next day.

Q. This equipment which you expect to move on the "hot shot" schedule from Seattle, that would leave six o'clock in the evening?

A. To Seattle?

Q. Yes, to Seattle.

A. Around seven.

598 Q. At what time would that equipment arrive the second morning in Seattle?

A. About six-thirty—from six-thirty to seven-thirty.

Q. Would that equipment lay over in Seattle that day?

A. Until that evening.

Q. Approximately what time that evening do you expect your equipment to leave Seattle?

A. About seven.

Q. And what time will that arrive in Portland?

A. About two o'clock.

Q. In the morning?

A. In the morning.

Q. Is that the equipment that would leave Portland about four-thirty in the morning?

A. Yes; and it is quite likely, at times, it will leave earlier.

Q. That is an additional piece of equipment that will leave Portland daily for San Francisco?

A. Yes. Just a minute, let me see if I understand you.

Q. Maybe I didn't ask it clearly. You have an additional piece of equipment, in addition to that, which will leave Portland daily for San Francisco?

A. Yes.

Q. That will leave at eight o'clock?

A. Or earlier.

600 nine or ten o'clock in order to make first morning delivery?

A. It certainly would.

Q. So as to any traffic that would not be available before nine or ten o'clock in the morning at Salem, the time in transit would not be any speedier than at the present time?

A. That is correct.

Q. Take Corvalis now. Isn't the same thing true of Corvalis?

A. Yes; but the time is a little later, because it takes a little time to go from Salem to Corvalis.

Q. With respect to the town of Eugene. You indicated that the driving time between Portland and Eugene is three hours and fifteen minutes?

A. Three hours and forty-five minutes.

Q. Three hours and forty-five minutes?

A. That is correct.

Q. Wouldn't that mean that freight in Eugene would have to be picked up and at your terminal by eleven or twelve o'clock in the morning in order to cut your present schedule?

A. And you will note that there is a notation, that it must be picked up before noon.

Q. Similarly, if we take the points going further south up to and including Medford, are there any of those points where the shipper or the consignor would be able to get a shipment in there any time during the day and still get next-morning delivery in San Francisco?

601 A. It would be pretty much as indicated here; it would have to be shipped prior to the time the truck went through that particular town.

Q. Take, for example, Roseburg. What time would the freight have to be ready at the shipper's place of business at Roseburg in order to get next-morning delivery at San Francisco?

A. Certainly by two o'clock.

Q. Now, respecting the schedule between San Francisco and the Spokane area, with particular reference to freight that may be destined to Pendleton or Baker or La Grande? At what point would that traffic be interchanged?

A. At Arlington.

Q. From how many directions do you move traffic east of Arlington to points in the State of Oregon?

A. I wish you would state that over again.

Chairman TERRIL. Will you read the question?

(Question read.)

A. Just one direction; it comes from Portland.

By Mr. BEROL:

Q. Considering the point of destination?

A. There is a truck for the John Day Valley; to southern Idaho, which, of course, is involved only insofar as Huntington in this case; to eastern Oregon, that is, Baker, La Grande, Pendleton; and the truck goes through Arlington to Spokane.

Q. What time does the truck destined for La Grande leave Arlington?

602 A. There are four or five trucks during the course of the night, and they move through there somewhere around midnight and continue until four o'clock in the morning.

Q. What time do you expect a shipment destined for Spokane will arrive at Arlington?

A. I should say two o'clock in the morning.

Q. Now, can you give me the driving time, approximately, from San Francisco to Klamath Falls?

A. From San Francisco to Klamath Falls?

Q. Yes.

A. I think I have that here somewhere; let's look.

Mr. FARRENS. May I interrupt. I would like to know what the sheaf of documents is that the witness is looking at?

The WITNESS. The sheaf of documents is the times between the various points on this run. This sheaf would be a time schedule, if I spent a day or a day and a half on it.

Mr. FARRENS. You could have one ready for San Francisco?

The WITNESS. I think it is about fourteen hours.

By Mr. BEROL:

Q. Between San Francisco and Klamath Falls?

A. Yes.

Q. Therefore a truck leaving San Francisco at seven o'clock in the evening would arrive at Klamath Falls about nine o'clock in the morning?

A. A little later than that because you are talking about elapsed time.

603 Q. What is the elapsed time, roughly, between Klamath Falls and Bend?

A. Four hours. Sometimes it takes four hours and fifteen minutes.

Q. What would you say it would be between Bend and Arlington?

A. Between Bend and Arlington?

Q. Yes.

A. Somewhere around six.

Q. As an equipment and maintenance engineer, does it come within your province to estimate the cost of operations between certain points?

A. No; it does not.

Q. Who in your organization is responsible for the problem of estimating costs of operation between various points?

A. That is generally handled by Mr. Schappert. Mr. James very often does that himself.

Q. Now, according to your testimony, I take it that the equipment that will be necessary in order to institute this service will involve an investment of approximately $70,000?

A. I don't recall testifying to that.

Q. I had understood you to say that the equipment would cost approximately $9,000 a complete unit?

A. Yes; roughly that.

Q. How many units will you use?

604 A. It takes fourteen. That does not mean fourteen new units, because most of the equipment is equipment we already have.

Mr. BEROL. May I ask counsel if he will have a witness, or any member of the applicant's organization who is prepared to give an estimate of the expected revenues and operating expenses in connection with the proposed service?

Mr. SCHAFER. Not unless I am compelled to compile them. We have already given testimony as to the volume of freight moving. Mr. James has already testified that the two carriers both rush to the half-way point and trade that freight.

Mr. BEROL. I am familiar with that testimony.

Mr. SCHAFER. And that he would expect as much revenue as in handling twice as much at the present time to the half-way point; and that we have a $20,000 daily volume into the Spokane territory, which would be sufficient to support our judgment in making the application.

Mr. BEROL. Of course, I have no power to compel the applicant to furnish anything, nor would I expect it if I had it, but I am just suggesting for the record that it might be well to furnish

an estimate of revenue and expenses in maintaining the service proposed. Of course, if the applicant does not want to, I have no desire to press the matter.

Mr. SCHAFER. We are satisfied and willing to put on the service, on the basis of the testimony we have given.

Chairman TERRIL. We will recess until 7:30 this evening.

605 (Whereupon, at 5:30 p. m., adjournment until 7:30 p. m.)

EVENING SESSION— 7:30 P. M.

Chairman TERRIL. We will be in order, gentlemen:

Cross-examination by Mr. ADAMS:

Q. You are familiar with the equipment of the Oregon-Nevada-California Fast Freight?

A. Fairly so.

Q. The equipment is the same or similar to that of your company?

A. Quite similar, in many respects.

Q. So far as the equipment and facilities are concerned, of the Oregon-Nevada-California Fast Freight, that company could perform the service as promptly as your company could; isn't that right?

A. Their equipment is very similar.

Q. You would expect comparable service from that company?

A. Yes.

Q. You spoke about the "hot shot" service which you proposed; the "hot shot" service from San Francisco to Seattle, from San Francisco to Spokane, from San Francisco to Coos Bay, from San Francisco to Yakima, and from San Francisco to Goshen?

A. Goshen? I didn't refer to any "hot shot" service into Yakima. The service goes through Medford into Portland, would connect with the service with Yakima.

606 Q. So that any saving of time between San Francisco and Yakima would be the saving between San Francisco and Portland; is that a fair statement?

A. Yes, that is a fair statement; due to the removal of the delays in Medford and in Portland.

Q. In other words, you don't offer any service to Yakima via Biggs?

A. No.

Q. And no "hot shot" service via Biggs?

A. Not to Yakima. A second morning delivery could be given by connecting with the truck at Kennewick, going to Yakima, which would make a connection there and make the same delivery.

Q. Wouldn't that be faster than you could make it from Portland?

A: No.

Q. So far as your service to Portland is concerned, then, you propose two "hot shot" trucks, one via Medford and the other via Klamath Falls?

A. Yes, but the one through Klamath Falls would go through Portland to Seattle. Only one truck would actually stop in Portland.

Q. Only one would stop in Portland?

A. Yes.

Q. Arlington is your big point, so far as east of the Cascade Mountains is concerned?

607 A. What do you mean?

Q. The big point on the "hot shot" service, where it would be interchanged? In other words, that would be the central point of interchange?

A. From Arlington to eastern Oregon there would be one; there would be one from Arlington to the John Day points. Also from Arlington on into Spokane via Kennewick, and even freight may be sent up to Yakima.

Q. How do you tie that in with your previous answer with reference to Yakima?

A. Freight destined for Yakima can be moved in one of two ways. Either through Medford to Portland, which can connect with the Portland-Yakima truck that night; or it could move on the truck from San Francisco, which goes through Klamath Falls, then, Arlington, and Kennewick, and can be transferred at Kennewick.

Examiner KEPHART. Where do you cross the river, at Biggs?

The WITNESS. No, at Kennewick; and then back into Spokane.

By Mr. ADAMS:

Q. You have so synchronized that service with the truck via Klamath Falls, Biggs, and Arlington, so that that truck will meet the truck that goes to Huntington and to John Day?

A. Yes.

Q. You have?

A. We will meet those trucks in Arlington.

608 Q. Suppose there was a delay on the shipment. What would happen? Would your first truck wait at Arlington?

A. For a reasonable length of time.

Q. What would happen if it missed that connection?

A. The shipment would be a day late. If it missed it, it would be a day late.

Q. Mr. Snead, your truck movement from San Francisco to Arlington is pretty well crowded, isn't it?

A. Not very. It is crowded, but not unreasonably so. There is, between San Francisco and Arlington, about two hours slack.

Q. What time will your truck arrive in Arlington?

A. In the neighborhood of two o'clock in the morning.

Q. Two o'clock in the morning?

A. Yes.

Q. Your movement to the John Day Valley and to Huntington and to Yakima—Those movements are all synchronized with the arrival two o'clock in the morning?

A. The Yakima truck does not go to Arlington.

Q. Do you connect at Kennewick?

A. Yes.

Q. Those are all synchronized?

A. Yes. All those trucks are so scheduled that we make connections.

Q. The primary service on the Huntington line is between Portland and Idaho, isn't it?

609 A. Yes.

Q. And your primary movement on the trucks on the John Day run is between Portland and John Day?

A. Yes.

Q. And your primary movement on the Yakima truck is the movement between the Walla Walla area and Yakima?

A. We don't operate into Walla Walla at all. It runs from Spokane to Yakima.

Q. Via Kennewick?

A. That is correct.

Examiner KEPHART. Does the truck to John Day continue on to Ontario?

The WITNESS. Not that particular piece of equipment; there is another truck that runs from John Day to Ontario.

By Mr. ADAMS:

Q. Since the primary purpose of those three truck line movements that we have just mentioned is between the points involved, won't the projected service between San Francisco Bay and the Northwest more or less cause you to adjust your schedules between the primary points? Do you understand what I mean?

A. Yes, I understand what you mean, but it would not have that result.

Q. Why?

A. Because of the fact, primarily, that our early trucks which have the freight that is really vital for early delivery

610 go on before that. It is the second schedules which will make the schedule at Arlington.

Q. So far as this program is concerned, you will agree that it will be more or less of an experiment?

A. Yes; but we have mapped out the same type of program in a number of different areas, and it is working out successfully.

Q. Have you worked out anything so involved as this before in any other area?

A. Oh, yes.

Q. Where?

A. The schedules in Montana would make this look very simple.

Q. You have a one-line haul there?

A. No. The freight in Minneapolis, or from Minneapolis is destined to Canada, Butte, Helena, the Pacific Coast, Salt Lake City, Lewiston—all sorts of schedules in Montana which are interdependent.

Q. As a practical matter, a large shipper in San Francisco or any other point on the proposed movement, if he were to ask you to wait for an hour for a substantial shipment, would you do it?

A. I doubt whether we would do it.

Q. Suppose you refused to do it, what effect would you expect, from past experience? Would you expect to find the shipper angry about it?

611 A. Very few shippers take that position, and many more agree with us that if we are going to give an expedited service, we must maintain a schedule; most of the shippers are in favor of that.

Q. I quite agree with you as to the majority, but the minority is generally composed of large shippers. Isn't that a fact?

A. Well, we have held to that point, and do to this day.

Q. Now, speaking for east of the Cascade Mountains. You now enjoy a haul to Portland. Have you considered the effect of the loss of your business; instead of moving from Pendleton to Portland, it will move from Pendleton to Arlington?

A. That may be correct, in many instances.

Q. Have you considered the possibility of the effect of this projected program upon your local service to relatively small points?

A. What do you mean by that?

Q. Well, for example, Pendleton to Portland?

A. You refer to the volume going Pendleton to Portland?

Q. I am speaking of your own truck line. From Pendleton to Portland?

A. I don't quite understand.

Q. That is a highly competitive route, isn't it?

A. Well, not highly competitive.

Q. There are a number of competitors operating between

612 Pendleton and Portland that have a great deal of difficulty in existing?

A. Yes.

Mr. SCHAFER. I will object to that as asking for evidence this witness was not called upon to produce.

Chairman TERRIL. If the witness knows, he may answer.

The WITNESS. I know purely from hearsay.

Chairman TERRIL. I think it is outside of the scope of this witness' knowledge, perhaps.

Mr. ADAMS. May I ask counsel if he will have a witness that will be able to testify on that point?

Mr. SCHAFER. The Portland-Pendleton Motor Freight has put in an appearance in this case, and if they have a witness to testify, they can produce him.

Mr. ADAMS. I don't mean that. We are using Pendleton and Portland as points just for a convenient illustration. I was not referring to any specific truck line.

Chairman TERRIL. The witness has said he is not able to answer the question.

Mr. ADAMS. He had already answered the question.

Chairman TERRIL. He said it was based upon hearsay.

Mr. ADAMS. Will counsel answer my question and state whether or not he will have a witness on the subject.

Mr. SCHAFER. I am confused, I admit. I don't know what Mr. Adams wants. I am completely mystified. I don't know
613 what you are driving at.

Exam. KEPHART. I don't see any need for that at the present time.

Mr. ADAMS. What do you mean, sir?

Examiner KEPHART. I mean, on applicant's part.

Mr. ADAMS. I thought this witness was the one that had projected this schedule.

The WITNESS. As I understand your question, it is in regard to the financial condition of other operators. I think we are all under that impression?

Mr. ADAMS. I just used that as an example.

The WITNESS. I certainly can't testify as to my own knowledge of the financial condition of the other operators.

Mr. ADAMS. I used the Pendleton-Portland as an example; I used that as an example, in a small community that used service——

Mr. SCHAFER. I don't want to sit by and listen to counsel and the witness engage in an argument that has nothing to do with the case, apparently.

Chairman TERRIL. I have ruled.

Mr. ADAMS. You haven't given me a chance to speak on it.

Chairman TERRIL. I have ruled.

Mr. FARRENS. He is not asking the effect upon other lines, but what effect it would have upon his own Pendleton-Portland run.

614 By Mr. ADAMS:

Q. What effect would it have on the service that this line gives between Pendleton and Portland?

A. I misunderstood you.

Chairman TERRIL. Restate the question. I certainly misunderstood you, too.

Mr. ADAMS. That is what I was trying to say.

By Mr. ADAMS:

Q. Has your company, or have you, Mr. Snead—Perhaps you can't testify as to the other company, but perhaps you can as to your own company. If you know, has your company given any consideration as to what effect this projected schedule will have upon the local service that may be given between any two points—for example, between Portland and Pendleton?

A. I am sure consideration has been given to that point, but I think Mr. Leibold is more competent to testify about it than I am.

Mr. ADAMS. Mr. Leibold will be on the stand?

Mr. SCHAFER. Possibly.

Mr. ADAMS. Will there be someone else who can testify as to that?

Mr. SCHAFER. Ask him if he thinks there will be any difference in the local service? Will the local service be changed in any respect?

Mr. ADAMS. The witness just disqualified himself to testify to that, because he said that Mr. Leibold would be better
615 qualified to testify. That is what I want to know.

Mr. SCHAFER. It beats me what you want to know. You mean, if we handle, ourselves, the freight at Arlington instead of Pendleton, will we impair our operation between Portland and Pendleton?

Mr. ADAMS. That is a part of it. Will you have a witness to testify on that?

Mr. SCHAFER. If it looks like going out of one pocket and into another. If the Board rules that we must put on any such witness, we will.

Chairman TERRIL. If it is important to the applicant, it will be the applicant's loss if he has no such witness.

Mr. FARRENS. It is not quite as simple as that.

Exam. KEPHART. In any event, this witness is not competent to testify to that.

Mr. ADAMS. I have agreed not to bother the witness with this question if another witness can testify to that.

Exam. KEPHART. Suppose we finish with this witness and then talk about that later.

616 Mr. ADAMS. All right.

By Mr. ADAMS:

Q. You company does not have authority to serve Longview, Kelso, Chehalis, and Centralia, for example; is that correct.

A. I believe that is correct.

Q. I notice you have projected very material savings in time on shipments from San Francisco to Olympia, for example?

Chairman TERRIL. If you don't know the answer, feel perfectly free to say so.

The WITNESS. That particular one, I really don't know.

By Mr. ADAMS:

Q. Then. I will ask you another question: You undoubtedly, as I understood your testimony, submitted certain figures upon which Exhibit 2 is based?

A. That is correct.

Q. However, as I understand you now, to points intermediate between Tacoma and Portland, via United States Highway 99, you did not submit any figures upon which Exhibit 2 is based?

Mr. SCHAFER. I will object to that as repetition. That is in evidence through Mr. Weisler. The points north of Portland and south of Tacoma an well as Aberdeen, will be served through connecting carriers through Portland. I am sure it is in the evidence clearly.

Mr. ADAMS. But that same witness, whom you had to testify on that, did not submit the time schedule.

Mr. SCHAFER. You now have the arrivals in Portland,

617 and you want to have him submit the connecting lines' schedules, too?

By Mr. ADAMS:

Q. Mr. Snead, is that right? As far as points between Portland and Tacoma are concerned?

A. For the preparation of Exhibit 2, I did give Mr. Weisler the time at which our trucks would operate from Portland over that route and through those points to Tacoma and Seattle. I am under the impression we do have rights to serve those towns, although I don't know.

Q. You Exhibit No. 1 shows that you do not have?

A. As I said before, I don't know.

Q. Then so far as Exhibit 2 is concerned, you merely took the times of those trucks on this run between Portland and Seattle?

A. And also the time our truck would arrive in Portland, which, I am sure, Mr. Weisler has checked with our connecting line.

Q. But so far as you are concerned, you relied on the time of your own company?

A. Naturally.

Q. As to time of departure, time in transit, and time of arrival at destination?

A. Yes.

Mr. ADAMS. That is all.

Mr. ELLIS. I have one or two questions brought out by Mr. Farrel's examination, if I may interject.

Mr. ADAMS. May I interrupt for just one question?

618 Mr. ELLIS. Certainly.

By Mr. ADAMS:

Q. As a matter of fact, you serve Ontario via Nevada, don't you?

A. Yes.

Q. And the witness that was here this morning, as to Ontario—the witness' testimony would not control your future movements between Ontario and San Francisco Bay points?

A. We might handle Ontario either way. I think it is quite possible we would prefer to handle shipments to Ontario via Nevada, as an operating problem.

Mr. ADAMS. That is all.

Cross-examination (continued) by Mr. ELLIS:

Q. I am interested in knowing how you propose to serve Portland shippers desiring to reach San Francisco or points south. As I understand you, under your plan you have two schedules leaving Portland in the early morning, one around four or five o'clock and another around seven or eight.

A. Yes; that is correct.

Q. Is it your proposal that those schedules should serve your Portland shippers desiring to ship south-bound?

A. Yes.

Q. That would mean that the freight would have to be picked up on the day preceding in order to make this early morning schedule, or those early morning schedules?

619 A. Yes; unless you would have full loads, which could be picked up in the early morning.

Q. A very small part of the traffic that you expect to move out of Portland would be picked up in time to make those early morning schedules?

A. A very small amount of the l. t. l., yes.

Q. What other schedules, if any, do you propose to have south-bound to San Francisco Bay, to serve the Portland area?

A. Through to San Francisco?

Q. Yes.

A. There would only be two; those two.

Q. And that means, on all l. t. l. business, originating in places expecting pick-up service, there would be a delay from the closing time of one day until the following morning?

A. That is correct, but there would be the same delivery that there is at the present time; second morning in San Francisco.

By Chairman TERRIL:

Q. I have just one question, which is perhaps not very important. Your testimony was, I believe, that your proposed service into Coquille would be performed in eighteen hours elapsed time, whereas the present schedule is approximately thirty-six hours, almost twice the time. Do you have any explanation of the great difference in elapsed time?

A. That is because of the delays in transit.

Q. Perhaps you could explain what those delays are. I
620 think I know, but for the record, I think it perhaps would be well.

A. First, there is a delay of departure out of Oakland north-bound, and there is a delay of a number of hours at Medford, and there is a further delay at Roseburg, where the north-bound truck unloads, and that traffic is held to connect with the traffic for the south truck which runs over to Coquille.

By Mr. ADAMS:

Q. It is not your statement that you have to wait from ten to twelve hours in Roseburg?

A. No; not that long. But there is a wait there.

By Chairman TERRIL:

Q. What is the approximate mileage over 101 as compared with the present route?

A. That is already in the record.

Chairman TERRIL. The main thing I am concerned with was the explanation of the different time.

Cross-examination (continued), by Mr. HEDGES:

Q. Mr. Snead, does the Consolidated Freightways at this time handle both local and intrastate traffic on the trucks which transport California traffic to Medford and Klamath Falls, and from Medford and Klamath Falls?

A. Yes.

Q. Do you know whether the Oregon-Nevada-California Fast Freight does likewise between San Francisco and Medford and Klamath Falls?

A. I understand on very reliable information that they do.

Chairman TERRIL. Do you know?

621 Mr. HEDGES. I asked if he knew.

The WITNESS. I know perfectly, but it is because somebody else has told me.

Mr. ADAMS. It is still hearsay?

By Mr. HEDGES:

Q. Didn't you testify earlier that a part of that delay at Medford and Klamath Falls was because that freight for interchange came in on various trucks, and that those schedules had been slowed down because of the fact that they handled local traffic?

A. Yes; that is true.

Mr. ADAMS. That is based on hearsay, isn't it?

Mr. SCHAFER. He said it was.

By Mr. HEDGES:

Q. The Consolidated Freightways in these proposed schedules will operate by division points? I mean, driver divisions?

A. Yes.

Q. For example, between San Francisco and Spokane, can you tell me readily what those division points would be?

A. Redding, California; Chemult, Oregon; and Arlington.

Q. Arlington, Oregon?

A. Yes.

Q. Redding, California; Chemult, Oregon; and Arlington, Oregon?

A. That is right.

Q. And the through service to Seattle. Where would the division points be on that route?

622 A. Redding, Chemult, and Portland.

Q. And the one to Portland?

A. At Redding, Grants Pass, and Portland.

Q. Redding, Grants Pass, and Portland?

A. That is right.

Q. Without going into all the details of the schedules themselves, are these division points so arranged, and are the schedules so arranged, that the drivers will not have any lay-over time in excess of that which they now have in the present operation?

A. Yes. We are very careful to work those things out, because of the various penalties and union agreements.

Q. And do they likewise work out so that the driver does not work overtime?

A. They would not violate the Interstate Commerce Commission's hours-of-service regulations.

Q. It is possible under the hours-of-service regulations, to work a driver in such a manner that he might complete his work in a couple of days?

A. That would not be sensible on our part.

Q. In no case, in the proposed schedules, will that present a problem which will increase your operating costs?

A. No. That does not present a problem at all.

Mr. HEDGES. That is all.

Mr. SCHAFER. We are going to continue this case in California, and I am sure there is enough foundation testi-
623 mony in the record for the shipper witnesses who will testify. I have stated that other parts of our case will be continued in California, insofar as it is necessary to do so, to accommodate shipper witnesses here. I frankly consider this is a filibuster to cause us to lose some of our shipper witnesses who have come in from other towns.

Mr. ADAMS. I resent that, if you think we have been filibustering. We have the next case coming up.

Chairman TERRIL. I think reasonable cross-examination of this witness is proper. We have been around the table once, and I think the second cross should be limited to points that have not been covered before.

Mr. FARRENS. The Board will note that I passed up my cross-examination on his promise to produce these schedules.

Chairman TERRIL. That is correct.

Mr. FARRENS. What I want to do is compare the schedules with the Pacific Greyhound Lines, which operate over the same route.

Exam. KEPHART. Can you compare freight schedules with passenger schedules?

Mr. FARRENS. When it shows freight schedules making better time than the bus schedules, it goes to show that it can't be done.

Mr. SCHAFER. That is the protestants' case, and they
624 have a right to put in whatever evidence they think is pertinent. However, when I am putting in my case, that, certainly, is not a part of it.

Mr. FARRENS. I have only asked you to produce the schedules.

Chairman TERRIL. They have given the results of the schedules in Exhibit 2.

Mr. ADAMS. We want to determine whether or not that exhibit is correct.

Mr. FARRENS. There is no definite leaving time shown—

Mr. SCHAFER. I want to remind the Board that we originally intended to defer this evidence for the purpose of getting the shipper witnesses on first. I put Mr. Snead on so that they could attack the testimony of the shipper witnesses on the basis of his foundation testimony. I would like to have the opportunity to

put on my shipper witnesses, and if it is necessary for him to testify further, he can be put back on the stand.

Mr. FARRENS. If counsel will produce this witness at the San Francisco hearing, or if he will bring the witness down there so that I can continue this cross-examination, I have no interest in filibustering against these witnesses.

Mr. SCHAFER. On that point, I will state again, you have the testimony in the record, and if the protestants want to refute it, that is their privilege.

625 Chairman TERRIL. The Board feels that they are entitled to the cross examination that they are asking. I will ask the protestants: Do you feel you have sufficient in the record from this witness at this time, so that he can testify as to the other things you have in mind at a later time, in order to enable Mr. Schafer to call his shipper witnesses?

Mr. FARRENS. I think so, except that we do want those schedules.

Chairman TERRIL. Off the record.

(Discussion outside the record.)

Chairman TERRIL. I will ask the applicant this: Will you at this hearing, or at a later date, have either this witness or some other witness who can testify as to these things?

Mr. FARRENS. Or produce the schedules.

Mr. SCHAFER. Mr. Snead will be available at Portland for cross-examination.

Chairman TERRIL. Will you have someone available at this hearing or in San Francisco, either, for that matter, for cross-examination on these points?

Examiner KEPHART. Tentatively, let us say, the 22d. That date is available.

Mr. SCHAFER. Yes.

Mr. FARRENS. If he is not here on the 22d, will he be
626 available in San Francisco?

Chairman TERRIL. I have offered you the opportunity. If not, I will allow the cross-examination to proceed at this time.

Mr. SCHAFER. All right. If we don't get through with him on the 22d, Mr. Snead will go to San Francisco.

Chairman TERRIL. With that in mind, you may step aside, Mr. Snead, and you may proceed to call your other witnesses, Mr. Schafer.

(Witness excused.)

Mr. SCHAFER. I will call Mr. George Stadelman.

GEORGE STADELMAN was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you state your name for the reporter?

A. George Stadelman.

Q. What business are you engaged in, Mr. Stadelman?

A. We are in the packing and shipping and receiving of fruits and vegetables.

Q. Where is your place of business located?

A. Our main office is at The Dalles, Oregon.

Q. Do you have any branch offices or places of business?

A. We have branches at Milton-Freewater, Hood River, Oregon, Walla Walla, Yakima, and Wenatchee in Washington.

Q. What is the name of the concern?

627 A. Stadelman Fruit Company.

Q. Are you interested in the service which the Consolidated Freightways is here proposing to give to such towns as you have named?

A. I am particularly familiar with The Dalles, because that is the particular place I am interested in.

Q. Are you familiar with the service presently available to you at The Dalles?

A. Yes.

Q. What is the rail l. c. l. service from San Francisco Bay area to The Dalles?

A. L. c. l.?

Q. Yes.

A. I couldn't tell you.

Q. Do you know what the carload service is?

A. Yes; I know what the carload service is.

Q. What is it?

A. Usually the fourth morning.

Q. Do you know what transit time the trucks require to give you service between those points?

A. At the present time it is third morning.

Q. You understand the Consolidated Freightways is here proposing to give you second morning service?

A. I do.

Q. Now, do you have occasion to ship or receive freight

628 from California?

A. We do.

Q. What commodities would you ship to or receive from California by truck?

A. To California we ship cherries, apricots, apples, and pears. From California we receive a full line of fruits and vegetables: oranges, celery, lettuce, cabbage—all the complete line of fruits and vegetables that fruit and vegetable houses use.

Q. Do the present services from San Francisco to The Dalles satisfy your requirements?

A. No.

Q. Why?

A. We tried last winter for about three months—for about a three-month period—to receive from the California produce section fruits and vegetables via truck. We found that the third morning delivery—that upon arrival, they were in such condition that it was not advisable to continue with the operation.

Q. You resumed the use of what mode of transportation?

A. We discontinued that.

Q. Would you resume the use of the truck if you had second morning service available to you?

A. We would attempt to resume the schedule; yes.

Q. Now, in your business, do you have any preference one way or the other as to a through service by one carrier com-

629 pared with a through carrier by connections?

A. We are primarily interested in service, and we must have the produce or fruits or vegetables arrive in good condition; and, ordinarily, they do not arrive in as good a condition if they are handled by two carriers as when handled by one.

Examiner KEPHART. You mean, if it is rehandled?

The WITNESS. It is not as good.

Examiner KEPHART. If it is handled and rehandled en route?

The WITNESS. Yes.

Examiner KEPHART. Unloaded and loaded again?

The WITNESS. That is right.

By Mr. SCHAFER:

Q. Have you been using the services of the Consolidated Freightways between other points?

A. Yes.

Q. Have you found them dependable and satisfactory?

A. The Consolidated is usually dependable.

Examiner KEPHART. Is this traffic truckload or less than truckload quantities?

The WITNESS. Both. Our volume depends usually on the amount we ordinarily receive; we ordinarily receive four or five truckloads coming into The Dalles each week, and going out we shipped approximately 1,500 cars last year, depending primarily on the rail shipments.

Q. Are your products perishable?

A. Yes.

630 Q. Do they require refrigeration to any extent?

A. Yes.

Examiner KEPHART. They do?

The WITNESS. Yes.

By Mr. SCHAFER:

Q. What effect would a through refrigerated service of the sort proposed have upon the condition of the produce?

A. It undoubtedly would benefit the produce.

Q. Is that also a benefit to you?

A. Yes; very definitely.

Q. How about the consumer?

A. The freshness of the fruits or vegetables has a tendency to increase the consumer demand.

Mr. SCHAFER. You may cross examine.

Cross examination by Mr. ELLIS:

Q. You are interested in the movement of these fresh fruits and vegetables both from The Dalles to San Francisco and from San Francisco to The Dalles?

A. Yes.

Q. Your fruit shipments north originate in San Francisco?

A. Yes; they do at the present time.

Q. How recently have you tried truck transportation of that fruit from San Francisco to The Dalles?

A. We tried it all last spring; we made from one to two shipments per week.

631 Q. Whose service did you use?

A. It seems to me that the originating carrier—I think it was the Oregon-California Truck Lines, and the delivering carrier was the Consolidated. I believe that is correct.

Q. Do you know via what route the traffic moved?

A. Yes; it moved through the Willamette Valley, through Portland.

Q. It was routed on the trucks of the Oregon-California, or, Oregon-Nevada-California Fast Freight in San Francisco to Medford, and then from Medford to The Dalles via the Consolidated to you? Is that correct?

A. I couldn't tell you, sir.

Q. Are you aware of the fact that during the entire past year the Consolidated Freightways has been operating through trailers from San Francisco, the trailers being handled by the Oregon-Nevada-California Truck Lines?

A. I am not familiar with the operation.

Q. You are not aware of the fact that through trailers were operating?

A. I am not familiar with the operation. I don't know. All I know is what the stuff looked like when it came in.

Q. Have you been told what the operation will be under the proposed service?

A. No, only it will be second morning. The produce will not arrive in Portland and have a lay-over as in the past.

632 Q. Was anything said about the handling of it?

A. Handling?

Q. Yes.

A. No.

Q. Did you assume you would avoid some extra handling of that fruit by means of a new type of service?

A. You mean, transporting from one truck to another, or transferring from one truck to another?

Q. Yes.

A. No; I think not.

Q. Didn't you say something about the disadvantages of rehandling?

A. Undoubtedly. Every time the fruit is handled, it is a disadvantage.

Q. Now, the testimony thus far in this case indicates that shipments originating in San Francisco would be picked up by a pick-up truck and hauled over to Oakland, to the Oakland Terminal, and it would be there loaded on a through truck at the Oakland Terminal and hauled through to Klamath Falls or Chemult, where it would be unloaded again?

Mr. SCHAFER. Just a minute. You are misrepresenting the testimony. That is the drivers' division point.

Mr. ELLIS. You don't intend to operate San Francisco trucks through to Arlington?

Mr. SCHAFER. Through to Spokane. And that is a division point for drivers at Chemult, and you certainly don't expect
633 us to load and unload at Chemult.

Mr. ELLIS. I understood traffic would be transferred at Chemult, and some cases.

Mr. SCHAFER. That is entirely wrong.

By Mr. ELLIS:

Q. After transferring at Oakland, the traffic would again be transferred at Arlington.

A. I don't know anything about that.

Mr. ELLIS. Am I correct in that, Mr. Schafer, that it will be again transferred at Arlington and be put in another truck and sent to The Dalles from there?

Chairman TERRIL. I don't believe that is correct, for the movement to The Dalles. Is that correct, Mr. Schafer?

Mr. SCHAFER. Oakland is our original terminal.

Mr. ELLIS. Not on freight originating at San Francisco?

Mr. SCHAFER. Freight originating at San Francisco goes straight to the Oakland Terminal, and they are not rehandled from San Francisco to Oakland.

By Mr. ELLIS:

Q. Is it your understanding that the freight will be handled direct from San Francisco to The Dalles, without rehandling? Your traffic, of course, is fruit?

A. Yes.

Q. Do you understand that fruit will be handled direct from San Francisco to The Dalles without rehandling it?

A. I don't know anything about the rehandling. I can only tell you about the result when it is received.

634 Examiner KEPHART. And that this is a proposed two-day delivery instead of a three-day delivery?

The WITNESS. Yes. The only thing I can tell you is that the Consolidated Truck Lines handling the produce use reasonable care, as I have found.

By Mr. ELLIS:

Q. But notwithstanding that reasonable care, the shipments did not arrive in satisfactory condition when you used their service.

A. During the last operation that they had, they did not arrive in satisfactory condition, but it was a third-morning delivery.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Stadelman, let me ask you this: Do you know how many times between San Francisco and The Dalles your products were rehandled en route during last spring?

A. I couldn't answer.

Q. Now, can you tell me how many times the Consolidated Freightways propose to rehandle your traffic between San Francisco and The Dalles in this new service?

A. I cannot.

Mr. HEDGES. That is all.

Cross-examination by Mr. FARRENS:

Q. Mr. Stadelman, does some of the produce shipped from California to your place of business come from

635 Sacramento, too?

A. From Sacramento?

Q. Yes.

A. It comes from the produce area.

Q. When you said "San Francisco," you meant the Bay points rather than San Francisco proper?

A. It is purchased through a broker who has his offices down there, and I think he goes down direct among the growers, and then he assembles them. That is the way the operation is handled.

Q. It is not frozen fruits and vegetables?

A. No; it is not frozen fruits and vegetables; it is fresh vegetables. For instance, if we order 30 crates of cabbage, we will assume, for shipment day after tomorrow. The broker contacts the grower and says that, "Day after tomorrow, I would like to have you bring in 30 crates of cabbage to the shipping point."

Then he assembles the shipments, getting them assembled in San Francisco.

Q. They are assembled there?

A. Yes.

Q. You don't have the experience of having the broker contact the grower and have him send the produce direct to you from the hinterland where it is grown?

A. No, sir; he assembles it.

Q. So it is all merchandise from San Francisco proper?

636 A. Yes.

Q. And not delivered to the carrier at Oakland?

A. It has been delivered to San Francisco, in all the experience we have had.

Q. Do you know whether or not the brokers down there deliver to the carrier, at his terminal at San Francisco, or whether there is a pick-up service furnished by the line-haul carrier?

A. I couldn't tell you.

Mr. HEDGES. That is all.

Chairman TERRIL. Any further cros-examination of this witness?

Mr. ADAMS. I have a couple of questions.

Cross-examination by Mr. ADAMS:

Q. Mr. Stadelman, Mr. Ellis questioned you about the through service by trailer between Portland and San Francisco. I take it from your testimony that your complaint is about the inability to get service which will enable you to get the goods to arrive in good condition. Have you complained to the Consolidated about it?

A. Complained to the Consolidated?

Q. Yes.

A. No.

Q. You have never complained about it?

A. No.

Q. They didn't come to you and say, "We have a through

637 trailer service between Portland and San Francisco. Would you be interested in a through trailer service from The Dalles through Klamath Falls to San Francisco?" Did they come to you and suggest that perhaps you might be interested in that?

Mr. SCHAFER. That has been mentioned four times now.

Mr. ADAMS. This is the first time.

Mr. SCHAFER. He has already stated three times that he doesn't know anything about it.

By Mr. ADAMS:

Q. The answer to my question is "No," that they didn't come to you?

A. No.

By Examiner KEPHART:

Q. Do you have as much trouble in your shipments from The Dalles to San Francisco as from San Francisco to The Dalles?

A. Ordinarily not, for the reason that they would be larger shipments, and those coming in would be in smaller quantities. And naturally the smaller the quantities would not receive as good service as they would going the other way. And then, of course, we have better produce in The Dalles than they have in San Francisco.

By Chairman TERRIL:

Q. What is the approximate volume of produce which you have available for shipment south-bound?

A. All the California market can take.

Q. What would be the average?

A. Last week we shipped a half a car every other day to
638 Los Angeles of one commodity, cherries.

Q. Was that by truck?

A. By truck; yes.

Q. During the period that you were using trucks from the south, what was the average tonnage per week?

A. I would say eight tons; something like that.

Mr. SCHAFER. No redirect.

Chairman TERRIL. Thank you very much.

(Witness excused.)

Mr. SCHAFER. Mr. Withycombe.

RICHARD WITHYCOMBE was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Richard Withycombe?

A. Yes, sir.

Q. You are the General Manager of the Oregon Trail Manufacturing Company?

A. Yes.

Q. Where is your place of business?

A. Bend, Oregon.

Q. What business is engaged in by the Oregon Trail Manufacturing Company?

A. The manufacture of furniture.

Q. Do you sell any furniture in California?

A. We do.

639 Q. Are you familiar with the services which the Consolidated Freightways propose to render if this application is granted?

A. I heard the testimony here, of the different schedules.

Q. What is your interest in that service? First, I will ask you, is there any occasion in your business to give consideration to the matter of speed in freight service?

A. Many times; yes.

Q. Why do you need a faster freight service?

A. Well, on many occasions our deliveries are rush shipments, and we naturally want to have as fast delivery as we can get. At other times, production problems make it such that we want to allow as much time for production as possible and still make our shipments on schedule. Our dealers in the territory—in the California territory—and other territories carry a full line of our merchandise, and if a customer orders a piece of furniture, they generally want a rush delivery. They look through a catalog, get the number, and then ask us for a definite date when we can make delivery. And if we have fast service it will be a great help.

Q. What particular furniture is manufactured by the Oregon Trail Manufacturing Company?

A. We manufacture rustic and knotty pine furniture.

Q. You also sell other places besides retailers?

A. We sell to retail dealers only. The retailer sells to the home users, and to the restaurants, taverns, and other in-
640 stallations for public use.

Q. What is the volume of your shipments to California?

A. When you say volume, do you mean by weight?

Q. Yes.

A. We ship—oh, it varies. We might make five or six shipments one week, and in another week we might not make any.

Q. Is that truckload or less than truckload quantities?

A. We shipped in truckload and in less than truckload shipments. It depends on the orders. As a result of an installation in a public place, it will make it a truckload. The installation for a tavern, for instance, would make about a truckload.

Q. Are you familiar with the truck service from Bend to San Francisco?

A. Yes.

Q. And what is that service?

A. The truck line from Bend to Klamath Falls—the Bend-Portland. I am not familiar with the connecting service. I believe it is the Oregon-Nevada-California. The Consolidated goes from Bend to Klamath Falls and connects with the same company, I believe. We can send by the Great Northern Railway, which connects with the Southern Pacific or the Western Pacific, and then connects with the Santa Fe into San Francisco.

Q. You heard the testimony of the previous witness with
641 reference to the preference for a through service by one carrier as contrasted to two different concerns performing the service, or by connecting carriers?

A. Yes.

Q. If you were asked the same questions as were asked the previous witness, would your answers be the same?

A. I haven't heard all the testimony, but I have just listened to the testimony of the last witness, who preferred having shipments by the least number of carriers that he could; and our preference is the same.

By Exam. KEPHART:

Q. Does the Great Northern give you a direct service from Bend to San Francisco?

A. Oh, no. The Great Northern goes as far as Bieber, and connects there with Western Pacific. And in respect to l. c. l. shipments, they don't go right out on any regular schedule. They wait until they get enough l. c. l. shipments to make up a car.

642 Q. At Bend?

A. Yes. So we don't know exactly what their schedule is.

Q. But the car runs into San Francisco straight through?

A. I presume the same car runs into San Francisco. I don't know whether they switch lines—I am not familiar with that.

By Mr. SCHAFER:

Q. It is your understanding that on your truckloads the Consolidated Freightways will transport them without any rehandling to San Francisco?

A. It is the understanding, if we have sufficient weight to make up a trailer load or a truckload, the trailer can be brought in there and picked by the local, or whatever you call it, that connects at Chemult, and then the trailer connects with the other truck that goes straight through to San Francisco or points intermediate.

Q. Have you experienced any difficulty in the way of loss or damage to merchandise which you think is attributable to rehandling or other incidents of connecting line service?

A. Yes, we have. There have been several instances. I can mention one. The shipment went to Suisun, California. The shipment was picked up by Consolidated and turned over to the Oregon-Nevada-California Fast Freight, and the Oregon-Nevada-California took it clear into Sacramento, and within a mile of Suisun, and there it was turned over to another carrier. They would not accept the freight charges, as the shipment went
643 collect, and the shipment had to go back to Suisun for the amount of freight, and there was a charge of an extra

amount of freight for the haul through and then hauling it back, plus C. O. D. charges. After sometime, the dealer made a complaint to us, and we immediately tried to iron out the situation and get a rebate. The California Fast Freight admitted it made a mistake in carrying it through. However, there was damage to the merchandise and the dealer was disgruntled and made the statement that he would not order any more furniture until the transportation was better.

Q. Have you used the Consolidated Freightways to other points?

A. We have.

Q. Have you found their service satisfactory and dependable?

A. We have.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. I assume your furniture is well crated?

A. I assume we do as good a job of crating as any other manufacturer in the Coast or in the East.

Q. You haven't experienced any unusual difficulties from damage to your furniture?

A. We have at other points, but not to the extent that we have in that particular locality, considering the distance.

Q. Have you had any serious difficulties from damage caused by the rehandling of shipments, that you have experienced over the Bend-Portland Truck Line or the Consolidated Freight-
644 ways or south-bound shipments?

A. Not to Klamath Falls; no. We have shipments that have gone beyond there.

Q. You mean you have had complaints on shipments that have gone beyond there?

A. Yes.

Q. I assume you have no means of knowing where the damage occurred, whether by the handling by the delivery truck at destination or in transfer of lading en route?

A. That is correct. We have no way of checking that.

Q. How long have you been in business in Bend?

A. I have been in business in Bend two and one-half years.

Q. Do you have competing service by rail and also by truck line service south-bound?

A. I just don't quite get the question.

Q. You have competitive rail service to San Francisco from Bend?

A. When you say "competitive," you mean rates or service or what?

Q. You can ship via more than one line?

A. That is right.
Q. The same thing is true of your truck service?
A. That is right.
Mr. ELLIS. That is all.
Mr. HEDGES. No questions.

645 Cross-examination by Mr. FARRENS:

Q. Do you understand that at all times during the past year it has been possible via the Consolidated to haul a full trailer load of your products from your plant and deliver it to San Francisco without the rehandling en route?
A. I have.
Mr. FARRENS. That is all.
Mr. PERRY. No questions.
Mr. HICKSON. No questions.

Cross-examination by Mr. BEROL:

Q. Do you know whether the applicant contemplates through movements from Bend to Suisun?
A. I don't understand that.
Mr. BEROL. Will you read the question, Mr. Reporter?
(Question read.)
A. As I understand it, it will go to the division point at Chemult and transfer anything less than truckloads.
Q. Have they so advised you?
A. I have heard it here in this testimony.
Q. Where is Suisun?
A. As I understand it, if I may offer the suggestion, I think it is within one mile of the direct route, and can be picked up by the delivery equipment.
Mr. BEROL. May I ask counsel whether the Consolidated Freightways either now or in the future propose to serve
646 Suisun?
Mr. SCHAFER. If it is within a mile of the highway, and we operate regularly there, we will serve it. However, I don't know where Suisun is.
The WITNESS. It is about one mile off the direct route.

By Mr. BEROL:

Q. How many shipments have you made to San Francisco since the first of the year?
A. I couldn't give you the exact figure. We have made considerable.
Q. What do you mean by "considerable"?
A. Not only to San Francisco.
Q. I am asking about Bend to San Francisco Bay, for instance, which includes San Francisco, Emeryville, Piedmont, Berkeley, Oakland——

A. I would say one a week.
Q. Do you make any shipments south of San Francisco?
A. I don't recall.
Q. Have you ever shipped any to Fresno?
A. No.
Q. Los Angeles?
A. Yes, we have made shipments to Los Angeles.
Q. Bakersfield?
A. I am not familiar with that town.
Q. Stockton?
A. No.
647 Exam. KEPHART. San Jose?
A. I am not familiar with San Jose. We have shipped considerable in the peninsula.
Q. San Mateo?
A. Yes.
Q. Burlingame?
A. Not Burlingame. There are a considerable number of towns back from Frisco, up to Santa Rosa, going north, and that country up in there.
Q. Petaluma?
A. Yes; Petaluma.

By Mr. BEROL:

Q. Isn't it your expectation that this applicant, by this application, will give you through service from Bend to the peninsula?
A. No.
Q. Would you say that the number of sales made, and shipments made to points on the peninsula are as large as those to points in San Francisco Bay area?
A. I would say they were.
Q. Would you say that the number of sales made, or shipments made, to Los Angeles are as great as those to Frisco? Or to the San Francisco Bay area?
A. No.
Q. How are you going to mix your shipments to the points on the peninsula or to Los Angeles?
648 A. How are we?
Q. Yes.
A. That is a rather difficult question to answer. So far as I know, we will continue to make shipments the same way we have until we are better served.
Q. Is your plant still in operation?
A. No. It burned down four days ago.
Mr. BEROL. That is all.

Redirect examination by Mr. SCHAFER:

Q. Do you intend to rebuild it?

A. Yes.

Mr. SCHAFER. That is all. Thank you very much.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Johnson.

W. L. JOHNSON was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you state your name?

A. W. L. Johnson.

Q. You are the traffic manager of Closett & Devers?

A. Yes, sir.

Q. And the editor of a traffic magazine in Portland?

A. That is right.

Q. On whose behalf are you appearing?

A. The Portland Industrial Traffic Club.

649 Q. And what is that club?

A. A group of men banded together for mutual interests, representing major industries.

Q. And what are their principal industries? Is it a social club or a study club?

A. Primarily business interests and shipping interests.

Q. Approximately how many firms belong to that club here?

A. Approximately thirty-five.

Q. What was the nature of the authorization which you received to appear and represent that club?

A. I am appearing here on behalf of Mr. Ralph Shephard, who is out of town at the present time.

Q. Were you authorized by the club?

A. Yes.

Q. Did they hold a meeting?

A. Yes.

By Examiner KEPHART:

Q. What is Mr. Shephard's connection with the club?

A. He is the legal adviser.

By Mr. SCHAFER:

Q. What is the position of that club with respect to this application?

A. They are wholly in favor of the application, and any other that will expedite the service.

Mr. SCHAFER. That is all.

Mr. BEROL. What was that answer?

650 (Answer read.)

Mr. BEROL. Thank you very much.

Cross-examination by Mr. ELLIS:

Q. Do I understand that a meeting of the Portland Industrial Traffic Club was held for the purpose of considering the question before the Joint Board?

A. That is correct.

Q. When was that meeting held?

A. Approximately three weeks ago.

Q. Can you tell me how many members you have in your club?

A. Approximately thirty-five.

Q. Was this a luncheon meeting or was it an evening meeting?

A. Luncheon meeting.

Q. How many of your members were present on that occasion?

A. I would say about twenty or twenty-two.

Q. Were you present on that occasion?

A. Yes.

Q. Was anyone present representing the Consolidated Freightways?

A. No, sir.

Q. In what manner was the subject presented to your club for consideration?

A. It was a mutual discussion by the members.

Q. How did the question come before the meeting?

A. How?

651 Q. Yes. Who presented it for discussion?

A. I don't recall at the present time.

Q. Was it just a voluntary discussion brought up by yourself or any of the members without it being presented in letter form or being presented by some representative of the Consolidated Freightways?

A. As I recall it, it was presented by one of the members.

Q. You don't recall who?

A. No; I don't, sir.

Q. Are any of the officials or traffic managers of the Consolidated Freightways members of this club?

A. No, sir.

Q. Would they be eligible for membership?

A. No, sir.

By Examiner KEPHART:

Q. No carrier representative would be eligible for membership?

A. That is correct.

By Mr. ELLIS:

Q. Did you state whether or not at the meeting of these seventeen or eighteen members, whether the opinion was unanimous?

A. I don't recall any dissenting vote.

Q. Did they express any opinion as to whether or not there was any additional through service needed to California points?

A. Well, there was a motion made and carried.

Q. Just what were the advantages which were discussed
652 and considered by the club in arriving at its decision to favor the application?

A. Mainly the saving in time between San Francisco and Portland, and in the reverse direction.

Q. Are the members of your club interested in the service both north and south bound?

A. Yes, sir.

Q. And did anyone tell you what the present service afforded at the present time between San Francisco and Portland?

A. I don't quite understand.

Q. Did anyone tell you what the present service was at the present time between San Francisco and Portland?

A. I think that is pretty well understood by the traffic men.

Q. You knew that there were some ten or twelve different truck lines that are now serving the area, did you not?

A. Not for all commodities.

Q. But you knew there were at least that many carriers operating between Portland and San Francisco?

A. I have read articles to that effect.

Q. Do you think ten or twelve are not enough?

A. Not in any specialized form; no.

Q. Just what deficiencies did the members of your club find in the present service?

A. That there were not enough with through rights and not enough that gave through service.

653 Q. Not enough that gave through service between Portland and San Francisco?

A. That is correct.

Q. Do you recall whether or not any mention was made of the fact that the through service is now available via the Consolidated Freightways and their connection, the Oregon-Nevada-California Fast Freight, from Medford to San Francisco in the equipment that moves through from Portland to San Francisco?

A. I don't recall of any discussion of that nature.

Q. Was there any discussion which indicated that the Portland shippers would receive a faster service than they now receive from Portland to San Francisco?

A. Yes.

Q. How much faster service do you expect to receive from here to San Francisco?

A. They didn't state the exact time, but they stated it would be many hours.

Q. What is the present service which you now receive on shipments via the Consolidated Freightways destined to San Francisco?

A. I would not be in a position to answer that. I can't answer for all the traffic managers of the entire area.

Q. Does your company make any shipments?

A. Comparatively few.

Q. Do you know what your present freight service is by
654 truck between here and San Francisco?

A. I have heard it here this afternoon.

Q. What do you understand it to be?

A. Second morning.

Q. What do you understand the service will be if the proposed application is granted?

A. Well, the next day.

Q. The proposed service is also the second-morning delivery in San Francisco, and your present service is second-morning delivery, what advantage do you expect to receive?

A. Well, merely the fact that there would be hours of time saved in transit. Hours means a great deal of money to our traffic men.

Q. Would there be any particular advantage to you to have the freight picked up here in the afternoon and held in the warehouse or terminal of the Consolidated Freightways all night and then have it started on its journey the following morning and arrive in San Francisco the second morning, just as it does now?

A. I couldn't answer that, inasmuch as we don't make any.

By Examiner KEPHART:

Q. Would it be any advantage to you to have it leave here at midnight and have it arrive in San Francisco the following morning?

A. It still would not be any advantage to me personally.

Q. Or any of the shippers that you know of?

655 A. I would not want to answer for them.

By Mr. ELLIS:

Q. Are you aware of the fact that the Pierce Auto Freight Lines are furnishing today, between Portland and San Francisco, daily through service?

A. I have heard about it.

Q. Without interchange of equipment en route?

A. I have heard something to that effect.

Q. Was that matter discussed at this traffic meeting?

A. Yes.

Q. The substance of the discussion was that if anybody could offer better or faster service than you had today, you were for it?

A. Yes.

Q. And that is about as far as the meeting went?

A. Yes.

Chairman TERRIL. Any further cross-examination?

Cross-examination by Mr. HEDGES:

Q. Mr. Johnson, are any members of the Portland Industrial Traffic Club engaged in wholesale jobbing of hardware and machinery?

A. Yes.

Q. Do you know whether any of those members sell into the Eastern Oregon territory?

A. I would not be at liberty to say; I don't know their operations.

656 Q. Were you here this morning?

A. No, sir.

Q. Had you been advised, before you testified, that at least two shippers who appeared from Eastern Oregon points testified that this service would enable them to buy more of their supplies out of San Francisco, because they could get a better freight allowance and better discounts out of San Francisco than Portland?

Mr. SCHAFER. At this point, I want to object. This witness merely came here to convey the message that his club supported the application. The question of counsel calls for conjecture upon the possible reaction of some members of the club.

Mr. HEDGES. It does not. It is a straightforward question.

Chairman TERRIL. May we have the question, Mr. Reporter?

(Question read.)

Chairman TERRIL. Can you answer the question?

The WITNESS. Yes.

Chairman TERRIL. All right.

A. No, I had not.

By Mr. HEDGES:

Q. If you had been so advised, would your testimony still have been the same this evening?

A. Yes.

Mr. HEDGES. That is all.

657 Cross-examination by Mr. FARRENS:

Q. In the discussions in your club, how far did the members go on the question of how many through carriers there should be between Portland and San Francisco?

A. They did not specify.

Q. You are sure of only one thing, and that is they want more?

A. They want better service.

Q. I understood you to say they wanted more carriers?

A. Well, if it takes more carriers to get better service, then, we want more carriers. We want better service. That is the thing we are interested in.

Q. What is it that you want? Is it more carriers to give better service?

Mr. SCHAFER. The question has already been answered. I think, it is clear that this witness doesn't want anything. He merely came here to convey the word of his club. If it is not worth anything, it is not worth anything. It is offered for what it is worth.

By Mr. FARRENS:

Q. When I say "you," I am talking about the position of the club. Is it the position of the club that you should have more carriers in order to get better service?

A. Well, that is a little misleading. I think we were wholly in favor of better service.

Q. If that service could be obtained by a few carriers, it
658 would be perfectly satisfactory to the club?

A. Yes.

Cross-examination by Mr. HICKSON:

Q. You testified that some of your members were wholesalers and jobbers selling to points in Eastern Oregon. I am wondering whether any of your members are jobbers or wholesalers selling to the territory south, on the Coast, around Marshfield?

A. I don't know.

Q. Do you have wholesalers and jobbers who are members of your association?

A. Yes.

Q. Do you know in what territory they sell their merchandise?

A. I would not be at liberty to give that information.

Q. I am interested in finding out right now where they sell their merchandise.

A. I am merely representing the Portland Industrial Traffic Club, which is composed of the traffic managers of industrial plants of Portland that are serving the Northwest in general.

Q. I understood you to say that one of the purposes of the club was to secure benefits for the club, in transportation?

A. That is right; and for the industries they represent.

Q. In other words, do some of your members sell down the Coast to customers south of Marshfield, or down as far south as Marshfield?

659 A. I believe, perhaps, they do. I don't know.

Q. Will you tell what particular benefit the shippers in Portland will derive out of the service given by the applicant, if the application is granted?

A. I have not been given authority to answer questions like that, and I am not competent to do so.

Q. What authorization were you given by your members?

A. Merely to state that we were wholly in favor of the application if it meant a betterment of service.

Q. Are you wholly in favor of the application if it will divert business from Portland to the San Francisco merchants?

A. That was not brought up.

Q. What is your opinion, as a member of the firm of Crosett & Devers?

A. I am not at liberty to testify for Crosett & Devers.

Q. You are not testifying for them?

A. No, sir.

Q. Do they serve the territory south of Portland, down to Marshfield?

A. Yes.

Q. You will admit that if it resulted—if the result of this through service out of San Francisco on 101 would be to divert business away from the Portland merchants and in favor of the San Francisco merchants, the members of your association would not be favor of it?

660 A. I don't think I have to answer any such question.

Mr. SCHAFER. The witness limited his testimony on direct to the conveyance of the word of the members of his club. Now, he is being cross-examined on the business of the various members of the club, clearly outside of the scope of the direct examination.

Chairman TERRIL. Do you have any opinion?

The WITNESS. I don't want to express any personal opinion at this time.

Mr. HICKSON. Then I move that this testimony be stricken from the record, for the reason that he apparently now admits that he is not authorized to testify about anything of interest to the Board in this case, and he knows nothing about the interests of the parties in this case nor the service that they will render.

Chairman TERRIL. I think the question is beyond the scope of his knowledge, apparently, and his direct examination was limited strictly to the fact that he was authorized to come and speak for these members on this one subject.

Mr. HICKSON. He has come here and stated that the purpose of his organization is a matter of mutual benefit for its own members, relating to transportation matters. He admits that there are

a number of members who are wholesale jobbers. Certainly he could tell us what his opinion is as to whether it would be
661 of value to the members of his organization to allow the business to be diverted away from Portland in favor of San Francisco.

Mr. SCHAFER. He was sent here as a substitute for Ralph Shephard to state that his club favored the application. Now, the attorneys are trying to turn their examination into the interests of the various members, which he does not profess to know.

Mr. HEDGES. If counsel will stipulate that his testimony may be considered just the same as a petition from a Chamber of Commerce, or a resolution that may be put into the record, that will be agreeable with me.

Mr. BEROL. I think that about sums up the substance of his testimony. I think that is correct.

Mr. FARRENS. If the Board please, I would like to ask him a question as to whether or not he is familiar with the bylaws of his organization, and whether or not the bylaws of his organization prohibits any such representation as he has made this evening without a formal resolution adopted in the minutes.

The WITNESS. The resolution has been entered in our minutes.

By Mr. FARRENS:

Q. Can you produce a copy of it?

A. Yes.

Q. When can you do it?

A. We are having a meeting tomorrow morning.

662 Q. Tomorrow you will put it in the minutes?

A. No. It has been in the minutes. That is our monthly meeting. It has been put in the minutes before.

Mr. HEDGES. I move that his testimony be considered, as I stated a moment ago.

Mr. FARRENS. I would like to ask another question.

Chairman TERRIL. Go ahead.

By Mr. FARRENS:

Q. When was this meeting called?

A. We met last Wednesday. We meet every Wednesday, and once a month we have a monthly meeting.

Examiner KEPHART. Do you have a formal meeting, when you meet, where you have a secretary and minutes are taken?

The WITNESS. That is correct.

By Mr. FARRENS:

Q. Where this resolution was adopted, did you transact any business at that meeting other than that?

A. Yes.

Q. You can furnish a copy of the written resolution authorizing you to come here as the shippers' representative?

A. Yes.

Mr. ADAMS. I will say that I understand such action was taken.

By Mr. HICKSON:

Q. Was there a discussion of the Consolidated proposed service south-bound from Portland to San Francisco through Marshfield?

A. That was not discussed.

663 Chairman TERRIL. That ends the discussion on that point.

By Mr. HICKSON:

Q. You say the route was not discussed at all?

A. No.

Mr. SCHAFER. I will stipulate that it does not apply to that route at all.

By Exam. KEPHART:

Q. Were any definite routes discussed at all?

A. No.

By Mr. ADAMS:

Q. Wasn't it merely Portland and San Francisco, or from Portland to San Francisco or vice versa, Mr. Johnson?

A. That is correct.

Q. There were no other routes discussed at all?

A. That is right.

Q. Do you know of the application of the Oregon-Nevada-California Fast Freight?

A. Yes.

Mr. SCHAFER. He said at the outset he would endorse that application, too. You have already got your free ride, and why waste time?

Mr. ADAMS. You will have to excuse me. I did not arrive at the time he began to testify.

Chairman TERRIL. And Mr. Berol already waived cross-examination on this witness at the very outset.

By Mr. ADAMS:

664 Q. Following up the question Mr. Farrens asked you, are you familiar with the purposes of the Portland Industrial Traffic Club?

Chairman TERRIL. The witness testified as to their purposes. There is no use repeating

Mr. ADAMS. All right.

Mr. SCHAFER. I have no redirect.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Peterson.

R. B. PETERSON was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name to the reporter, please?

A. R. B. Peterson.

Q. You are connected with the Columbia-Okanogan Nursery Company of Wenatchee?

A. I am.

Q. And what is your position with that company?

A. I am the Sales Manager of the company, and in that capacity I have charge of the routing of deliveries of shipments.

Q. What kind of a business is that?

A. Nursery business.

Q. About what size is the operation?

A. Why, the company have approximately 300 acres in their operation, approximately 60 acres of which is in orchards,
665 and the balance is in nursery operations.

Q. How does that compare with other nurseries in Washington as to size?

A. As to size, it is the largest nursery in the State of Washington.

Q. What does your nursery specialize in?

A. Principally fruit-tree production.

Q. And how extensive is the demand for your products?

A. We have an extensive business on the Pacific Coast, and we ship considerably to the East and the southern parts of the United States. We have exported some fruit trees. We have shipped several thousand fruit trees to the Argentine, to fruit distributors in South America, and have shipped some fruit trees to other foreign countries, deciduous districts. We specialize in several patented and trade-marked varieties for which we have national demand.

Q. Did the depression of the last several years have any effect upon your local markets?

A. Very materially. There have been several thousand acres of orchards taken out in North Central Washington during the depression, and that has resulted in a very material shrinkage in our local business in that district for local fruit trees.

Q. What did you do as a consequence of that?

A. We have reached out into outside districts and have
666 developed our outside business more than in the past.

Q. Do you sell in California?

A. We do.

Q. Is time a factor which you would consider in marketing your product?

A. Very materially.

Q. In what respect?

A. In effecting prompt deliveries of our orders. Our business is very seasonal and some of our orders are booked ahead for future deliveries, and much of our business comes from planters when they are ready to plant their trees; consequently, we receive many orders on short notice, that they are going to plant their trees on certain specific planting days.

By Exam. KEPHART:

Q. Is any of your business in carload quantities?

A. We ship some shipments to the Atlantic Coast in carload lots; we sometimes combine our shipments with other nurseries to make up carloads. We ship very few carloads on the Pacific Coast.

Q. Some truckloads?

A. Some truckloads, but not full loads to California very often.

By Mr. SCHAFER:

Q. Is that product susceptible to damage?

A. Yes.

Q. In what way?

667 A. From freezing, heating, or from drying out.

Q. Does the time in transit have a bearing upon the drying out?

A. Yes.

Q. Are you familiar with the service presently available between Wenatchee, Washington, and San Francisco, California?

A. Yes.

Q. And what are those services?

A. I might state that at California points we had an order last spring going to Los Angeles, in which we checked the shipping days. We were informed that freight shipments would require approximately seven days, and then we found that we could obtain fourth day delivery by auto freight.

Q. Do you understand that Consolidated Freightways is here offering second morning delivery from Wenatchee to San Francisco?

Mr. HICKSON. Third morning?

The WITNESS. Third morning?

By Mr. SCHAFER:

Q. Second morning?

A. We have third morning, and we are offered second morning.

Mr. SCHAFER. If Exhibit 2 shows it is third morning, it is a typographical error, because Wenatchee is given third morning now.

Exam. KEPHART. It just says fourth morning at the present, and third morning proposed.

Mr. SCHAFER. That is an error.

668 By Mr. SCHAFER:

Q. What transportation service do you use, mostly?

A. We use the Parcel Post and express for smaller sized shipments. We use the Parcel Post for the light shipments, and express for shipments up to approximately 100 pounds. We use auto freight on shipments 100 pounds and larger. We have used rail shipments on larger shipments on which we could make up a carload for different eastern points.

Q. Are you satisfied with the existing rail service to points on the Pacific Coast?

A. No.

Q. Have you had occasion to complain about that service?

A. We had a shipment originating at Merced, California, last spring, which was coming to us from California; the shipment was a shipment of fruit trees which left Merced on the 24th day of February and reached Wenatchee on the 7th day of March.

By Examiner KEPHART:

Q. How was it shipped?

A. By rail freight.

By Mr. SCHAFER:

Q. Did it reach you in good condition?

A. No. It was a loss. The stuff was worthless when we received it.

Q. Now, you have heard the questions addressed to other witnesses as to their preference for a through service by one carrier as distinguished from a joint service with several carriers.

669 A. Yes.

Q. Which would you prefer?

A. We would prefer the handling of our shipment by means of one carrier, wherever it is possible, because we have found it makes for efficiency in delivering our orders, with less divided responsibilities; and, another thing, we have found our c. o. d. returns on our shipments come through much more satisfactory.

Q. Would you expect a reduction in running time or transit time, proposed here, to have any effect upon the volume of your business to or from California?

A. It would have a tendency to help us in the increasing of our volume, because it is important to give our customers prompt delivery. If the customer is held up in receiving his trees, or delayed in planting, or if they arrived later that the day we have promised delivery, it has an effect on our sales.

Q. Are you familiar with the services of the Consolidated Freightways?

A. Yes.

Q. Have you used them between other points?

A. Yes.

Q. Have you found them adequate and satisfactory?

A. They have been satisfactory.

Q. Dependable?

670 A. We have found the Consolidated Freightways dependable, and they have given us good service in various ways. In some cases where we have a particular order, with some concern about its arrival, we have had your local agent communicate with the point of destination and arrange for prompt notification, and things of that kind which have benefited our business.

Q. In respect to the 24 hours saving in time which you expect to enjoy on shipments between Wenatchee and San Francisco, can you get along just as well without such an improvement in service?

A. We can always get along, but we get along better if we have better service. We are getting along with the service we have now, but we will be more satisfied if we can cut our time in transit for shipments. That would be a distinct advantage.

Q. Do you have any further statement that you wish to make, Mr. Peterson?

A. No; I think not.

Chairman TERRIL. You may cross examine.

Cross-examination by Mr. ELLIS:

Q. Mr. Peterson, you are using the services of the Consolidated Freightways now on shipments destined to California points?

A. Yes.

Q. Have you had occasion to complain to them about that service?

671 A. Not particularly; no.

Q. Do most of your shipments go to points north of San Francisco or to points south of San Francisco?

A. To various points. We ship to points north of San Francisco, in the San Joachin Valley, and as far as Beaumont in the vicinity of Los Angeles.

Q. Would you say that more than half of your California business is destined to points south of San Francisco?

A. No; I wouldn't say that. It is distributed pretty well up and down the state. We ship principally peach and apricot trees into those various fruit districts.

Q. Have you had any recent difficulty with your c. o. d. returns since the Interstate Commerce Commission has been exercising jurisdiction over the interstate carriers?

A. I don't know how long they have been exercising jurisdiction.

Q. Have you had any recent difficulty with c. o. d. returns on these shipments that you have handled to California points over the Consolidated?

Examiner KEPHART. In the last year.

A. Yes; we have had in the last year some.

Exam. KEPHART. A little slow in making returns?

The WITNESS. Slowness arises where it is handled by a number of carriers. The carrier who makes the final delivery doesn't make prompt returns and, consequently, the remittance that is sent back is slower.

672 Examiner KEPHART. Do you always know whether it has gone by connecting carrier or by the Consolidated alone?

The WITNESS. We usually know it is not done by Consolidated, because they don't have final delivery of our orders: especially, in Southern California.

By Mr. ELLIS:

Q. You realize that would be true, even though this application were granted, do you not?

A. Yes.

Q. This application does not propose any service south of San Francisco?

A. That possibly would be so.

Q. What is the nature of the service that the Consolidated renders in communicating with the destination of your shipments?

A. We had a shipment to Los Angeles, and the delivery was specified for a specific date, and we took it up with their office—with the Consolidated office—and we had very good results with getting the shipment through.

Q. Do you mean that they expedited the shipment for you, or did they communicate with the consignee at destination?

A. We communicated with the consignee, but they handled it through their various connecting carriers, I suppose.

Q. And that resulted in very satisfactory delivery?

A. Yes.

Q. You would expect them to continue to give you that
673 kind of service, whether this application be granted or not?

A. They have always given us good service, insofar as I know.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Did I understand you were located at Wenatchee or Okanogan?

A. Wenatchee.

Q. When c. o. d. funds are remitted to you, how are they remitted to you? Are they remitted to you by the delivering carrier or the Consolidated Freightways?

A. We get the check ultimately from the Consolidated Freightways.

Q. In all cases?

A. I suppose in all cases. I have not checked.

Q. Do you recall?

A. I don't recall; no.

Q. If the checks in all cases did come from the Consolidated Freightways, you have no way of determining who held up the remittance from the consignee and back to you, except what you were told?

A. Possibly so.

Q. Your business is with the Consolidated Freightways, isn't it?

A. Yes.

Mr. HEDGES. That is all.

674 Mr. HICKSON. No questions.

Cross-examination by Mr. ADAMS:

Q. Did the Consolidated Freightways tell you that the physical operation between Wenatchee and Portland would be the same under the proposed service as it is at the present time?

A. I ardon me. I didn't get the question.

Q. Did the Consolidated Freightways tell you that the physical operation between Portland and Yakima—I mean between Portland and Wenatchee—would be the same with the proposed service as it is at the present time?

A. I have not discussed that. I am not concerned with their business.

Q. Did they tell you that at the present time there is through trailer service between San Francisco and Portland? I presume they didn't tell you that, either?

A. I have never asked them regarding their operations.

By Mr. SCHAFER:

Q. Did you discuss with them anything regarding their operation?

A. No. I am only interested in prompt service.

By Mr. ADAMS:

Q. And they promised you that there would be a shorter elapsed time?

A. They have not promised any shorter time. They have discussed the possibility of cutting the time.

Q. Then, if there is a through trailer service, and there

675 is the same service under this proposal between Wenatchee and Portland, then how did they convince you that you should come here to testify? What representations did they make?

A. They have told us that it might be possible to give us second morning delivery at Wenatchee from San Francisco.

Q. Is that the reason you are here to testify?

A. Yes.

By Exam. KEPHART:

Q. Did they promise you the same service in the opposite direction?

A. Yes.

By Mr. ADAMS:

Q. Do you know anything about the loss and damage claims——

Mr. SCHAFER. I will object to that.

Mr. ADAMS. That is an important question. He testified he would prefer to have the service by one carrier rather than several carriers. Perhaps if he knew——

Mr. SCHAFER. Just a minute.

The WITNESS. We are interested in expedited service. That is the basis of our business.

By Mr. ADAMS:

Q. Do you know who assumes the risk when a shipment is received?

A. I know when the carrier accepts our shipment, he assumes the risk.

Q. And that is through, whether it is through a connecting service or whether it is not?

676 A. I assume so.

Q. I take it all you are interested in is service that will shorten your time on your shipments, isn't that so?

A. We are interested in having time saving in delivery and in dealing with a reliable company, which will give cooperation in the handling of our shipments, if that answers your question.

Q. You are not here complaining about the service of any carrier, are you?

A. Not particularly.

Q. Did the Consolidated Freightways advise you that the Oregon-Nevada-California Fast Freight had an application pending, which would enable them to give a through service between Portland and San Francisco, connecting with a carrier operating between Portland and Wenatchee?

A. No. I don't think they have discussed it with me.

Q. Well, if such application is pending and authority is secured and the carrier would give the service, would you be glad to patronize them?

A. As I have stated, whenever possible to ship over one carrier, or by such means as would give us direct delivery, we would prefer to do so.

Q. That was because of objection to pressing claims against many carriers?

A. Not having objection to pressing claims against many
677 carriers; that was incidental to getting prompt remittance. I mean, more particularly, in the handling of our products.

Q. Do you know anything about the services of the Oregon-Nevada Fast Freight?

A. Not especially. I have never been solicited by them.

Q. You are not complaining about the Consolidated service at the present time?

A. No.

Q. And do you know that the Oregon-Nevada Fast Freight has been handling your shipments into San Francisco?

A. I know there have been other carriers handling them; I don't know what companies.

Q. They have been handling your shipments satisfactorily, have they not? In conjunction with the Consolidated?

A. We have had satisfactory service on our shipments south so far.

Mr. ADAMS. That is all.

Redirect examination by Mr. SCHAFER:

Q. By saying that you are not complaining of any existing service, do you mean that you are satisfied with the existing service from Wenatchee to California?

A. We would prefer to have faster service, if available.

Q. Is it your understanding that you will get 24 hours faster service if the applicant's application is granted and the proposed service put on?

678 A. That is right.

Mr. SCHAFER. That is all.

(Witness excused.)

Chairman TERRIL. The hearing is adjourned until nine o'clock tomorrow morning.

(At 9:50 o'clock p. m., hearing adjourned until 9:00 o'clock a. m., July 10, 1940.)

679 MULTNOMAH HOTEL,
Portland, July 10, 1940.

Before Joint Board No. 11, composed of C. T. Terril, representing the Public Utilities Commissioner of Oregon, and a representative of the Railroad Commission of California (not present).

Present also, C. I. Kephart, Examiner, Bureau of Motor Carriers, Interstate Commerce Commission.

Hearing resumed at 9:00 o'clock a. m.

Appearances: (Same as heretofore noted.)

PROCEEDINGS

Chairman TERRIL. Come to order.

758 Mr. SCHAFER. I have two witnesses from north Idaho points. I think one can testify, and the other will adopt his testimony.

Examiner KEPHART. That is up to you. Suppose you have the second man near enough so that he can hear what the first one is testifying to, Mr. Schafer.

Mr. SCHAFER. I will do that.

Chairman TERRIL. All right; proceed.

Mr. SCHAFER. Mr. Hunt.

ROBERT H. HUNT was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you state your name for the reporter?

759 A. Robert H. Hunt.

Q. Where do you reside?

A. Wallace, Idaho.

Q. What business are you engaged in?

A. In a department store, general merchandise business. We do general merchandise business in our retail store at Wallace, Idaho.

Q. You are the merchandise manager?

A. Yes.

Q. Do you have other stores in Idaho?

A. We have one at Mullan and one at Kellogg, as well as one at Wallace.

Q. Do you have any occasion to be interested in transportation facilities between San Francisco, Wallace, and Kellogg?

A. Very decidedly.

Q. Why is that?

A. Well, we ship about 50 to 60 percent of our merchandise out of the San Francisco market because of the connection we have there.

Q. Are you familiar with the services which are available to those points now, between San Francisco and those three towns in Idaho?

A. Yes.

Q. What services do you have now by rail?

A. It will vary from six to seven days by rail, and five
760 days as an average by auto freight.

Q. Do you understand what service is proposed by the Consolidated Freightways?

A. Yes.

Q. What is your understanding?

A. That they are proposing to see that the service is to Spokane, so that we will get at least 24 hours' faster service at our plants than we are getting now.

Q. About how often do you get shipments from California?

A. We ship a lot of our merchandise through Butler Brothers, and our shipments will average at least two a week.

Q. Do you get shipments from other concerns in California?

A. Yes; we do.

Q. Are they frequent?

A. Not as frequent as we do from Butler Brothers, because we use Butler Brothers as our main source.

Q. How does the cutting of one day in transit time, from your source of supply, affect you or aid you?

A. Our service to our customers will be better; we have competition, and the better service we can give, the better we will thrive. It will enable us to have more complete stocks in a shorter period of time.

Q. Do you have occasion to fill orders in a rush out of San Francisco?

A. Yes; we do; almost daily.

761 Q. Do you use the express service from San Francisco to those northern Idaho points?

A. The only time we use express is for fast service, or to take care of small shipments that we need in a hurry.

Q. How fast a service can you get by express?

A. Three days.

Q. You would expect three days if this application is granted?

A. The third morning is what is proposed.

Q. Why don't you use the Railway Express more, if they can give you three days?

A. Well, the rate is prohibitive, and it affects our mark-up.

Q. Would the present proposal, at the present freight rates, affect that situation?

A. Yes; very materially.

Q. Now, from your experience up there, have you formed any preference one way or the other as between one line carrying the freight from origin to destination and having the carriage performed between or by connecting lines?

A. Yes.

Q. And what is that preference?

A. We have found where shipments have to be rehandled, it often results in one or two packages being destroyed or often missing.

Q. Does it result in slowing up the time to some extent?

A. Yes.

Q. How long have you been in business up there?

762 A. I have been with this organization for 15 years.

Q. You say that your problems on deliveries from San Francisco are the same as other merchants in your community?

A. I would say that they are.

Mr. HICKSON. Counsel is testifying.

A. (Witness continuing.) In fact, I have talked with several of the other merchants about it, and they are very anxious to speed up their service.

Q. Would you say that this proposed fast service would result in increased volume in your business—can you say whether it would or would not?

A. I believe it would, from the standpoint of not being out of merchandise; that would speed it up.

Q. How would that speed it up? Why would that speed it up?

A. Because we would have fuller stocks because, after ordering the merchandise, it would be in stock in less time, which would result in not losing some sales which we otherwise might lose.

Mr. SCHAFER. That is all I have.

Chairman TERRIL. Cross-examination?

Cross-examination by Mr. ELLIS:

Q. What proportion of your truck shipments do you receive from San Francisco?

A. Practically all of our merchandise shipped out of San Francisco is by auto freight.

Q. What percentage is that of your total receipts of merchandise?

763 A. Pretty close to 50 percent.

Q. From what points of origin does the greater part of the remaining 50 percent come?

A. Well, that is spread throughout the country. The shoes come out of St. Louis; and mill shipments from various points of origin.

By Chairman TERRIL:

Q. How much of your traffic that comes by truck is in truckload quantities, as distinguished from less-than-truckload quantities?

A. Very little is truckload; in fact, I wouldn't say any of it is truckload.

By Mr. ELLIS:

Q. By what transportation means do you get your shoe shipments from St. Louis?

A. Auto freight.

Q. Does that move over the line of a single carrier?

A. They ship Merchants Transfer—I can't name the connecting point—in care of the Consolidated. I believe there is just one connecting carrier; I am not positive.

Q. Do you receive any of your freight at the present time which moves over the line of a single carrier from point of origin to destination?

A. Yes. Of course, we have the Inland pick up most of our shipments at Spokane.

Q. The Inland what?

A. The Inland Motor Freight. I believe that is the
764 Consolidated connecting line in Spokane, although there are some shipments that come through on the through truck of the Consolidated.

Q. And where do they come from?

A. Mostly from the East.

Q. They are transferred at some point en route after leaving the point of origin, at least once, and then a second transfer at Spokane?

A. It depends on the point of origin.

By Mr. SCHAFER:

Q. If you know.

A. As to shipments out of Seattle and Portland, they are transferred at Spokane.

By Mr. ELLIS:

Q. All the shipments which you receive now are transferred en route at at least one point?

A. I can't definitely answer that question.

Q. You don't know then, of your own knowledge, whether you are receiving any direct service via a single carrier from point of origin to destination in the handling of any of your merchandise to any of your stores in Northern Idaho?

A. Yes; we are having some direct shipments, but not necessarily any long distance.

Seattle, we do get direct.

Q. With no interchange at Spokane?

A. Some are interchanged; not all of them. Spokane shipments, of course, are direct.

Q. Then the only thing that you can definitely assure us
765 that is received by a single carrier, or by or through the movements of a single carrier, would be shipments originat-

ing at Spokane; that is, where a single carrier has performed all the transportation?

A. I believe so, without checking back on it; I think most of them are reshipped out of Spokane.

Q. Now, have you had any more difficulty in connection with your San Francisco shipments than you have had in connection with your shipments from St. Louis or your other principal points of origin?

A. I don't quite get your question.

Q. Has your service from San Francisco, where you have some interchanges in reaching your destinations, been less satisfactory or caused you more difficulty than your service from other points where you buy your commodities?

A. Well, it is just a matter of getting faster service; that is the main difficulty with our service.

Q. Are you getting faster service from other points of origin than you are from San Francisco?

A. Well, closer points.

Q. Only closer points?

A. I wouldn't say definitely. We are interested in faster service.

Q. But your service from San Francisco, mileage considered, is comparable to your service from other points of origin?

766 A. Yes; it is.

Q. On what occasion do you find it desirable to use the express service, which, you say, gives you a three-day delivery?

A. Well, on merchandise where our stock runs low, where we have to have a special order; where we have to get an order ready quickly, to a large extent we ship by Express.

We ship merhcandise out of Butler Brothers by Express when we need it or are in a hurry.

Q. And you pay a little more for that faster service?

A. Yes.

Q. Have you had occasion to use air service?

A. No; we don't, because Spokane is the closest we have a connection with by air; the rest would be local.

Q. Then you have had no difficulty in obtaining service via Express, where the merchandise was such as to justify the additional cost which you pay for the faster service?

A. Well, the additional cost is, in many cases, prohibitive, except in special orders. We try to ship by auto freight. In fact, at the present time, we try to consolidate many of our smaller shipments at Portland in order to get away from excessive charges.

Q. But where the emergency justifies it, you are willing to pay the Express charges to get it through from San Francisco in a hurry?

A. If it is an emergency; yes.

767 We have done it, but it would be much more to our advantage to have a faster freight service.

Q. What you have been offered is Express service at freight rates, and that is why you are interested in it?

A. Yes.

Q. You have been told that you can obtain service the equivalent of express service at freight service costs?

A. Rates.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. I understand it is faster service that you are interested in?

A. It is faster service at the present cost, if possible.

Q. Did any representative of the Consolidated Freight Lines represent to you that this service could be speeded up only by the granting of this application?

A. Well, I have discussed a possible chance of getting faster service with their representative, and here some time ago their representative stated that there was going to be a hearing in regard to it.

Q. During that conversation was it represented to you that the granting of this application would be the only method by which that service could be speeded up? Is that your understanding?

A. Yes; it is.

Mr. HEDGES. That is all.

768 Cross-examination by Mr. FARRENS:

Q. What representations were made to you by the representative of the Consolidated who asked you to attend the hearing?

A. I didn't get that question.

Q. What representations were made to you by the Consolidated?

A. Well, that the hearing was necessary in order to obtain permission to put on a faster service.

Q. What did the Consolidated representative give you to understand they were seeking in this hearing?

A. Well, that it was necessary to show a necessity or a need for faster service; and that is what we are interested in—is to get faster delivery service on our merchandise.

Q. And that is the only representation that they made to you about the purpose of this hearing?

A. That it was for the purpose of obtaining permission to speed up their service to us.

Q. Do all your shipments from Butler Brothers at San Francisco move under direct consignment to you?

A. You mean, they are billed direct to us; is that what you mean?

Q. Does the bill of lading run direct to you as consignee—from San Francisco to you as consignee at Wallace?

A. Yes.

769 Q. Aren't you aware of the fact that Butler Brothers's usual practice is to make pool car shipments to a point like Spokane and then make distribution out of there?

A. They do on factory shipments.

Q. What is the character of shipments that you get direct from them?

A. Oh, it may be glassware or blankets; general merchandise.

Q. I don't mean the commodity, but I mean what is the deciding factor whether they will deliver your particular order or send it by pool car shipments to Spokane by rail and then have it distributed out of there? Do you understand what I mean?

A. I believe I do.

Q. What determines whether they will send it direct to you from San Francisco or have it sent to Spokane in a pool car and have it distributed from there?

A. That takes a different rate than a freight shipment from San Francisco, and then a local rate from Spokane to Wallace.

Q. Isn't it a fact that all of your shipments from Butler Brothers, from San Francisco, that can be moved that way, are consigned to Spokane and distributed out of there, and then those that can't be handled that way are handled by auto freight?

A. A very small percentage of our shipments are pool car shipments.

Q. Would you be able to tell me what percentage of your shipments are pool car shipments?

770 A. I don't imagine they would amount to five per cent of them.

Q. Now, do you mean that by number of shipments or by weight?

A. Well, that is a little difficult to say by weight. A lot of our local shipments are quite heavy, and yet it is a variety of them that make up the stock; our percentage of pool car shipments is not large, except in the fall of the year where we are putting in toys. We put in toys in the fall of the year and ship considerable bulk merchandise by pool car.

Q. Well, the pool car rate, combined with the local rate from Spokane to Wallace would be the lowest rate available from San Francisco, wouldn't it?

A. Well——

Q. I will put it this way: it would be lower than the through motor-carrier rate from San Francisco, wouldn't it?

A. Well, we have never shipped any pool car merchandise straight through. From factory shipments, it should be lower.

Q. You mean straight through to Wallace?

A. Yes.

Q. Your pool car shipments are actually handled from San Francisco to Spokane?

A. We don't ship pool car shipments from Frisco to Spokane.

Q. Where do they come from?

A. From the East; from various factories.

Q. Then you get from San Francisco only those things which you cannot get from the factories in the East?

771 A. No; we do not. We only use such merchandise out of the pool cars that we can use to advantage, or buy on a pool car basis into Spokane; and fully 90 percent or more of our merchandise is bought in smaller quantities.

Q. I am just wondering if you understand this pool car situation——

Mr. SCHAFER. I am going to object to any further testimony along that line. He testified as to his volume out of San Francisco, and he testified that he gets pool car shipments out of the East, that less than 5 percent of his shipments come by pool car. I can't see any reason for pursuing it further, and I object to it as incompetent, irrelevant and immaterial.

By Chairman TERRIL:

Q. Do you know what the pool car arrangement is?

A. Yes.

By Mr. FARRENS:

Q. Do you know whether there are pool car shipments from San Francisco, from Butler Brothers to Spokane?

A. No, I don't; and I don't know of any pool car shipments that are moving from Butler's to Spokane.

Q. Do you know whether they do move any pool car shipments from Butler's to Spokane?

A. That is what I said, that I don't know.

Q. Do you know whether they have any pool car shipments from San Francisco to Portland for distribution to points beyond?

A. No; I don't know.

772 Q. If you got any shipments from either Spokane or Portland, you wouldn't know what route they came by?

A. I know that Butler's, in some instances, ship water to Portland, but whether there are pool car shipments into San Francisco, I rather doubt.

Q. I am just trying to find out, when a motor carrier gives you

a shipment, whether you know necessarily how it moves between San Francisco and Portland, or Portland and Spokane.

A. I don't quite get you.

By Examiner KEPHART:

Q. Do you pick the originating carrier in San Francisco?

A. Yes.

By Mr. SCHAFER:

Q. Do they send you a copy of the bill of lading when they make the shipment?

A. Yes, they do; we specify auto freight on our shipments, because the auto freight has proven to b' a little faster than the rail freight.

By Mr. FARRENS:

Q. In the conversation which resulted in your coming to this hearing, was it suggested that the route via Biggs, Bend, and Klamath Falls would be used in maintaining this faster service?

A. No. The only understanding I had is that they were proposing to give through shipments from San Francisco into Spokane, without transfer.

Q. Did they mention the routing to you?

773 A. No.

Q. Did they make any statement as to possible reduction of rates?

A. No.

Mr. FARRENS. That is all.

Cross-examination by Mr. HICKSON:

Q. Did you state how frequently you ship out of San Francisco?

A. Yes. I said I had normally 1 to—about 2 shipments a week, depending on the season of the year and the type of commodities.

Mr. HICKSON. That is all.

Chairman TERRIL. Is there anything further?

Mr. ADAMS. Yes.

Cross-examination by Mr. ADAMS:

Q. You are interested in a daily service, aren't you?

A. A daily service?

Q. Yes; a service to you daily.

A. Not necessarily a daily service; we are interested in as fast a service as we can get on shipments that leave Frisco. We are getting a daily service; in fact, they are serving us daily now.

Q. I mean, on the proposed faster service from San Francisco, would it make any difference if you placed an order today, and

the truck was not leaving San Francisco until two days hence?

774 A. That would be as bad as what we are up against now; that wouldn't help us any.

Mr. SCHAFER. I will object on the ground that the service is a daily service.

Mr. BEROL. The question has been answered, anyway.

Mr. ADAMS. That is all.

Chairman TERRIL. Do you have anything further, Mr. Schafer?

Mr. SCHAFER. No.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Burton.

FRED BURTON was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you give your name to the reporter?

A. Fred Burton.

Q. Where do you live?

A. At Coeur d'Alene, Idaho.

Q. In what business are you engaged?

A. Variety Store.

Q. Do you buy anything out of San Francisco?

A. The biggest share of my merchandise.

Q. Have you heard the testimony of the witness who was just on the stand?

A. I have.

Q. If you were asked substantially the same questions on
775 direct and cross-examination, would your answers be the same?

A. Yes.

Mr. SCHAFER. You may cross-examine.

Mr. ELLIS. No cross.

Examiner KEPHART. That appears to be all.

Mr. FARRENS. He didn't say from whom he purchased.

Examiner KEPHART. That doesn't make any difference, does it?

Mr. FARRENS. I think it does.

Chairman TERRIL. Go ahead and question him.

Cross-examination by Mr. FARRENS:

Q. Whom do you purchase from?

A. Butler Brothers.

Mr. FARRENS. That is all.

Cross-examination by Mr. ADAMS:

Q. You generally foresee your purchases and make them in advance?

A. What is the question?

Mr. ADAMS. Will you read the question, please?

(Question read.)

A. Not always.

By Mr. ADAMS:

Q. As a general practice?

A. Yes; but there is a certain amount that we can't.

Q. And that is a very small percentage?

A. It happens with the fastest selling items that we have; they are the ones that we run out of and have to replace.

776 Q. It is very rarely?

A. Not very rarely; it is very often; every week.

Mr. ADAMS. That is all.

Chairman TERRILL. Is that all, Mr. Adams?

Mr. ADAMS. Yes.

(Witness excused.)

817 Mr. SCHAFER. Mr. DeGrasse.

W. R. DEGRASSE was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is W. R. DeGrasse?

A. Yes, sir.

Q. You are the purchasing agent of Wells & Wade, Incorporated, at Wenatchee?

A. Yes.

818 Q. What kind of a business are you engaged in?

A. Wells & Wade is the largest wholesale and retail hardware plumbing and sheet metal concern, as well as dealer in spray materials, orchard supplies and kindred materials in the Wenatchee Valley.

Q. Is that wholesale and retail?

A. Both.

Q. You say it is the largest?

A. Yes.

Q. How many employees do you have?

A. We employ from 90 to 100 employees; and we are affiliated with Wells & Wade Fruit Company, which employes, with the Wells & Welkey Company, about 75 men between them.

Q. What territory does Wells & Wade serve?

A. We cover all the north central Washington area, the entire Wenatchee Valley and the Okanogan Valley, which runs up to the Canadian border, and the Methow Valley, which takes care of an area of about 70 miles—70 square miles, and this territory is covered with smaller communities, and they, in turn, supply the smaller communities and they look to us for their supplies.

Q. What do you mean? The stores in those localities look to you for their supplies?

A. Yes.

Q. What is the population up there that you serve?

A. The population that we serve is roughly about 75,000 people.

819 Q. Are you familiar with the present freight service available to you between San Francisco and Wenatchee?

A. Yes.

Q. What service do you now enjoy?

A. We have rail service by a connecting carrier; and we have auto freight service by a connecting carrier.

Q. What is the transit time on l. c. l. rail shipments?

A. It is from 6 to 8 days.

Q. And what is it by auto freight?

A. From three to six days.

Q. Do you have any auto freight coming in from San Francisco?

A. Quite a bit.

Q. Do you control the routing on that freight?

A. We insist on controlling the routing, except in a very few cases.

Q. What services do you use in l. c. l. shipments from California?

A. Auto freight.

Q. Have your present facilities been adequate and satisfactory to your needs?

A. No, sir; they are too slow.

Q. Is that the only complaint?

A. Other than that, they are satisfactory.

Q. You have heard these other witnesses testify generally on the question of whether they prefer the through service with one line or whether they prefer a joint service with two or more connecting lines. What is your answer to that?

820 A. That is of no importance to me.

Q. Are you familiar with the proposed service of the Consolidated?

A. To the extent that, if the proposed service is adopted, we will receive second-morning delivery out of San Francisco.

Q. You enjoy now overnight service out of Portland?

A. Yes.

Q. Does any other carrier give you overnight service out of Portland?

A. No.

Q. What is the best you can do by any other route?

A. We can be served by two other auto freights, operating in connection with a stop-over at Yakima, which requires two days.

Q. Would the availability of a dependable second-morning service out of San Francisco have any bearing upon your purchases?

A. It would.

Q. Will you explain that?

A. To this extent: We are in a district where we sell lots of seasonal merchandise for the raising, picking, and packing of apples and other soft fruits, and, when there is a call for that material, we have to have it right now. We have to have it when the season is there, and when the season is over, it drops off immediately. With a longer service, before the season begins, we have to buy heavier because we have to have the stocks on hand. If we had this proposed service, we could buy a little shorter
821 and fill in towards the end of the season, and that might result in cutting out some loss in connection with inventory.

Q. What is the principal competition in that territory?

A. Our principal competition in the hardware line is the Seattle jobbers.

Q. Would the availability of a second-morning service help you in meeting that competition?

A. It will very definitely. On lots of our merchandise, where we can fill an order with a two-day delay, we can get by, whereas we couldn't justify an extra day's delay. In other words they would get it from Seattle. In three days, or if it took three days to get it there, our customers would leave us and go to Seattle.

Q. Wenatchee is in a fruit-producing area?

A. Entirely.

Q. Entirely?

A. That is correct.

Q. Is there any occasion for emergency shipments in connection with your business?

A. Yes; there is, particularly in spray materials. If you run into a succession of hot days, it requires more spraying than is ordinarily required, and there is the possibility of a shortage in spray materials. There was an instance of another firm in Wenatchee where they had to ship a complete truckload out of San Francisco on a rush deal. There is also this:
822 the apple rancher is very susceptible to suggestions so far as the materials that he uses in his spraying. If he is advised by a competent horticulturist that a certain spray is good for certain pests, then he decides to get it, and if it is not available out of Seattle, it would have to be shipped out of California, where it is manufactured; if it could be gotten in two days, we could get it; whereas, if it took five or six days, he possibly would not wait.

Q. You have used the services of the Consolidated Freightways to other points?

A. Yes.

Q. Have you found that service dependable and reliable?

A. Yes.

Mr. SCHAFER. That is all.

By Chairman TERRIL:

Q. How frequently do you use the service from Wenatchee to California?

A. We run from five to twenty shipments a week.

Q. What would you say the average was?

A. What would I say the average was?

Q. Yes.

A. Anywheres from 5 to 20; it is variable.

Q. Is there any dependable average as to the weight of those shipments?

A. No, sir; they will vary from 100 pounds to a ton.

By Mr. KEPHART:

Q. Never in truckload lots?

823 A. No. There isn't anything in truckloads; we generally ship by boat to Seattle if there is a great quantity.

Chairman TERRIL. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Do you encounter any competition from the Portland jobbers in your territory?

A. Very little.

Q. Your primary competition is out of Seattle?

A. Seattle and Spokane.

Q. What is the relative distance Wenatchee to Portland as against Wenatchee to Seattle?

A. The distance to Portland is just about double.

Q. You are about how far from Portland?

A. Roughly, 300 miles. I couldn't tell you exactly.

Q. About 150 miles from Seattle?

A. 156.

Q. Do you know what the distance is to San Francisco?

A. No.

Q. Roughly, about 1,000 miles?

A. I wouldn't even hazard a guess.

Q. Well, as I understand your testimony, you think that the service which the Consolidated Freightways is proposing would so equalize those differences in distances between Seattle and Wenatchee as against San Francisco and Wenatchee as to place

you in a better position to furnish your customers out of San Francisco in competition with Seattle jobbers?

824 A. Well, we have enough consumer acceptance in our territory so that we can justify one extra day in delivery.

Q. Well, from a practical standpoint in the serving of your customers, this improvement in service would, in fact, wipe out the disadvantage in distance which you now are confronted with in moving your shipments out of San Francisco as compared with competitors moving products out of Seattle?

A. It would tend to.

Q. You anticipate that you would do a pretty good job in competing with the Seattle jobbers under that proposal?

A. That is right.

Q. Notwithstanding the distance is about 1,000 miles as compared with 150?

A. I am not particularly interested in distance. If there is only a day difference in delivery, I am positive we can do it.

Q. What proportion of your merchandise do you ship from San Francisco?

A. I would say it was under one-tenth.

Q. Under one-tenth?

A. Yes.

Q. Does all of that less than one-tenth move by truck?

A. No.

Q. How much of it moves by truck?

A. Probably three-fourths.

825 Q. Where do you receive the greater proportion of your shipments from?

A. We have shipments coming in to the store from all over the United States; the bulk of it comes from Seattle.

Q. Your service out of Seattle at the present time is reasonably satisfactory, is it?

A. Yes.

Q. And you are getting reasonably satisfactory service out of Portland?

A. Yes.

Q. Have you had any reason to complain to the Consolidated Freightways about your service from San Francisco?

A. We have been after them for quite some time to see if there was not some possible way to speed it up.

Q. Did they explain to you the occasion for their delays on the occasions when you complained?

A. No.

Q. They did not tell you that a large part of that delay was occasioned by their own failure to make connections with their own trucks at Portland?

A. No.

Q. I assume it is not important to you just how the saving in time is accomplished, if you can get a saving in time?

A. I am not interested in how, or by whom, if we can get it.

Chairman TERRIL. Any further cross-examination?

826 Cross-examination by Mr. HEDGES:

Q. Mr. DeGrasse, is your competition in Seattle with the two large wholesale firms there?

A. The Seattle Hardware and the Schwabacher Hardware.

Q. In the articles which you distribute in the North Central Washington territory, is your stock as large as that of the two houses in Seattle?

A. Much smaller.

Q. Are the concerns from whom you secure the stocks the same as the concerns from whom the Seattle houses secure their stocks?

A. Very similar in many lines.

Q. Would they likely be the same in many instances?

A. I can speak generally; in lots of lines it would be.

Q. So, if they are competing with you in the territory in and around Wenatchee and around the Okanogan Valley, they are drawing on the same sources that you are, initially?

A. Yes.

Q. And if they didn't have any particular commodities in stock, and they had to make some emergency arrangement, they would be faced with identically the same situation you are?

A. That is right.

Q. In reaching that territory in and around Wenatchee and the Okanogan Valley?

A. Yes.

Q. So there would be no substantial difference in their
827 situation and yours?

A. Other than they carry larger stocks than we do.

Q. How about the competition in Spokane?

A. The Marshall-Wells Hardware is our competition there.

Q. And their stocks are comparable to the stocks of the Seattle Hardware and the Schwabacher Hardware Company?

A. That is correct.

Q. Larger than yours?

A. Quite much larger.

Mr. HEDGES. I think that is all.

Cross-examination by Mr. BEROL:

Q. What did the Consolidated Freightways inform you as to the purpose of this hearing?

A. As I understand it, this is a petition to get permission to operate into the California territory.

Q. Have you ever heard of the Oregon-Nevada-California Fast Freight?

A. I have.

Q. Do you know that they are seeking authority to operate into Portland directly?

A. Yes.

Q. If the Oregon-Nevada-California Fast Freight were to furnish, with comparable time, service through Portland to Wenatchee, would it make any difference whether you received it via the Oregon-Nevada Fast Freight or the Consolidated or both?

A. Not the slightest.

828 Q. Let me ask you this: were you informed that you were going to get second morning delivery out of San Francisco?

A. Yes.

Mr. BEROL. Is that right, counsel?

Mr. SCHAFER. That is correct. I have heard of four or five hot-shot schedules. One of them arrives in the evening and makes connection upon arrival at Portland. That truck making connection at Portland arrives in Wenatchee the second morning.

Mr. BEROL. Then your Exhibit No. 2 is in error.

Mr. SCHAFER. Exhibit No. 2 shows arrival from San Francisco into Portland in the evening, and into Wenatchee the next morning.

Mr. BEROL. Exhibit 2, page 30, indicates the present service is fourth morning into Wenatchee, and that the proposed service is third morning?

Mr. SCHAFER. That is not correct. It is the second morning that is proposed. They are receiving third morning now.

Mr. HEDGES. Another error.

Mr. SCHAFER. That will be fixed up.

Chairman TERRIL. Off the record.

(There was a discussion off the record.)

Chairman TERRIL. I think that is all; you may stand aside.

(Witness excused.)

Mr. SCHAFER. Mr. Street.

843 * * * * *

Chairman TERRIL. Let us take a ten-minute recess.

844 (Recess.)

Chairman TERRIL. We will be in order, gentlemen.

Mr. SCHAFER. Mr. Saling.

GEORGE E. SALING was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is George E. Saling?

A. That is right.

Q. You are the Parts Manager of the Webb Tractor and Equipment Company of Yakima?

A. That is right.

Q. Will you describe the business of the Webb Tractor and Equipment Company?

A. It is engaged in the handling of caterpillars and John Deere Implements and Machinery; they handle road equipment—all the road equipment that goes along with the caterpillar line.

Q. Do you understand the application which the Consolidated Freightways has here with reference to service between Yakima and California?

A. Yes.

Q. What is your understanding of it?

A. The way it has been explained to me is that there will be third-morning delivery into Yakima or better; that is, third-morning from my point of destination in California.

Q. And what points of destination do you have in California?

845 A. Three of them.

Q. What are they?

A. Stockton, San Leandro, and Los Angeles.

Q. What morning do you understand you will receive delivery from San Francisco?

A. The second morning, I believe; although I have nothing from San Francisco.

Q. What is the existing service now?

A. Fourth morning from Los Angeles, Stockton, or San Leandro.

Q. Are you familiar with the rail l. c. l. service?

A. Yes.

Q. What is the arrival time of that?

A. The fifth or sixth morning.

Q. Just what transportation problems are you confronted with in your business?

A. The time element, mostly.

Q. In what way is time important to you?

A. We handle contractors' equipment and parts; and I am interested primarily in the parts end of it. When they break down, they want parts, and being that type of equipment we can't always have the thing that they break; when they want it, they want it right now.

Q. Are there any sources of supply for those parts other than the points in California which you have named?

A. No; that is my source of supply, unless they buy from

846 some competitive dealer; competitive with the firm that I work for.

Q. Do you have any branches of your firm?

A. We have one at Wenatchee; one at Mason City, one at Waterville, one at Connell, and one at Ellensburg.

Q. Do you understand that the same service will be available to Ellensburg and Wenatchee that is proposed for Yakima?

A. That is the way I understand it.

Q. Have you any further general statement to make with respect to your need for faster service from California?

A. Well, the less times a shipment is transferred from one carrier to another, that usually is considered an advantange; and I understand that would result from getting a through service.

Q. About what is the volume of your shipments from California?

A. Well, in a year's time it will average somewheres around from 25 to 30,000 pounds.

Q. 25 to 30 thousand pounds?

A. Yes, sir. The shipments vary from 100 pounds to 5,000 pounds per shipment.

Q. Do you use the services of the Consolidated Freightways between other points, such as Seattle and Yakima?

A. Yes.

Q. Have you found them satisfactory and dependable?

A. Yes.

Mr. SCHAFER. You may examine.

847 Cross-examination by Mr. ELLIS:

Q. You are using the services of the Consolidated Freightways in connection with your shipments originating at Stockton, San Leandro and Los Angeles?

A. Yes; not exclusively, but I am using them.

Q. Do you know how many times your shipments are transferred en route?

A. Well, we give—I can usually give the routing on it, and it is handled by three different carriers.

Q. What are those three different carriers?

A. Diamond, Oregon-California, Consolidated; that is out of Stockton and Los Angeles.

Q. That involves transfer at San Francisco, I take it? That is the first transfer?

A. I am not familiar as to just where the transfers are made.

Q. And there is a transfer between the Diamond and the Oregon-California?

A. Yes.

Q. At Frisco?

A. I believe so, although I am not sure.

Q. And there is another transfer at Medford between the Oregon-California and the Consolidated?

A. That is what I understand.

Q. Are you aware of the fact that the Oregon-California and the Consolidated are operating through trailers to Portland, and have been doing so for more than a year, without transfer of lading?

848 A. I had not investigated that part of it, because most of the shipments that I myself order are smaller shipments.

Q. You don't know whether they are transferred at Medford?

A. Not except for the routing; I have been instructed to give that routing for shipments.

Q. Is there a transfer from one truck to another at Portland?

A. I understand there is.

Q. Were you advised, or do you understand that the proposed service will eliminate some of those transfers of lading?

A. Yes.

Q. What transfer do you think would be eliminated?

A. The one, I believe, at Medford would be eliminated.

Q. And if in fact there is now a through service over the Oregon-California and Consolidated, in trailer equipment, which is loaded at San Francisco and destined to Portland, there would be no change in that service?

A. Well, presumably not.

Q. Well, now, you are primarily interested in obtaining a speedier service on your shipments, if it is practical to get it?

A. That is right.

Q. Without increased cost to you?

A. That is right.

Q. I assume your purposes would be met equally well if the present delays were eliminated by a closer connection be-

849 tween the Consolidated trucks at Portland, for example, or by any other method that is practical?

A. Well, so far as the time element is concerned, that would be true; but I have had other troubles besides the time element; that is, in the loss of time.

Q. Will you explain that?

A. On one occasion, a piece of equipment was shipped with half of it arriving one day and the other half the next day. The first portion was of no value until the complete shipment was there.

Q. Do you know whether that was occasioned by the failure of Consolidated or some other carrier?

A. When I asked for a tracer on the balance of the shipment, they passed the buck to the connecting line.

Q. Even though the Consolidated Freightways had rates to operate to San Francisco, you still would have to have a connecting carrier involved in any of your shipments?

A. As I understand it, we would have one.

Q. Don't you obtain some of your supplies out of Portland?

A. Yes, we receive practically all of our John Deere supplies out of Portland.

Q. And the supplies that you get out of the South are largely the caterpillar parts; is that right?

A. No, I get some caterpillar parts from Stockton, which is R. G. LeTourneau, Incorporated.

Q. You have competition in your territory in the mer-
850 chandise that you sell?

A. Yes.

Q. Do your competitors have a better service than you have?

A. Not necessarily; no.

Mr. ELLIS. That is all.

Mr. HEDGES. No questions.

Mr. SCHAFER. I have no questions.

(Witness excused.)

Mr. SCHAFER. Mr. Burns.

G. W. BURNS was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is G. W. Burns?

A. Yes, sir.

Q. You are the proprietor and manager of the Benjamin Franklin Store at Yakima, Washington?

A. Yes.

Q. How long have you been there?

A. A little over three years.

Q. What commodities do you deal in?

A. In varieties, 5 and 10 cents.

Q. And do you buy from California?

A. Yes.

Q. Are you familiar with the freight services that are presently available to you?

851 A. Yes.

Q. You heard the last witness testify as to the rail service and truck service available to San Francisco?

A. Yes.

Q. If you were asked the same questions, would your answers be the same?

A. Yes.

Q. Would the same be true as to the preference expressed for a through service by one carrier as distinguished from a service by several connecting lines?

A. Yes.

Q. You have dealt with the Consolidated?

A. Yes, sir.

Q. And found them dependable and reliable?

A. Yes.

Q. Have you anything further to say with respect to the need for 24 hours faster time from San Francisco to Yakima?

A. It would be very valuable to me, permitting me to place the weekly orders which would arrive Saturday morning at Yakima after placing my order the Saturday morning before, and then receiving the order the following Saturday morning.

Q. Do you have emergencies in your business in the matter of replacing stock?

A. Yes; very much.

Q. Are you satisfied with the existing third-morning
852 service for this purpose?

A. It interrupts the weekly service very much.

Q. Will you explain that?

A. I can't order on Saturday and get it the next Saturday.

Q. You mean you can't order Saturday and receive it the next Saturday, under the present set-up?

A. No; I can't. I receive it on the following Monday.

Q. Is it important to get your orders in the store on Saturday?

A. Very much. Saturdays are the big days in the farming communities, so, when we have sold out, and the merchandise is not on hand during Saturday, it affects our volume of sales.

Mr. SCHAFER. You may cross-examine.

By Chairman TERRIL:

Q. What percentage of your needs is supplied out of San Francisco, out of the San Francisco market?

A. Altogether, about 35 to 40 percent of it.

Q. About 35 to 40 percent of it?

A. That is right.

Q. In weight, if you are able to say, how much would that be in a given period of time?

A. Per month, it would run close to three tons.

Q. That would be in approximately weekly shipments?

A. Yes.

By Examiner KEPHART:

Q. Would it be in truckload quantities or less-than-truckload quantities?

A. Less that truckload.

853 Chairman TERRIL. Mr. Ellis.

Cross-examination by Mr. ELLIS:

Q. What is the nature of the emergency demands that make necessary emergency transportation?

A. It permits us to carry a smaller stock.

Q. It is a matter of your convenience in carrying a smaller stock, calling for a small investment?

A. That is right.

Q. The character of your business is such that you do not have emergency demands for your customers' wants that are vital to the conduct of your business; is that a fact?

A. I don't understand quite what you mean.

Q. You don't have orders for items that are imperative to keep industry running, such as from a logging camp or a sawmill operation?

A. No.

Q. You carry the usual stock of a variety store, I take it?

A. Yes.

Q. Largely 5-, 10-, and 15-cent items predominating, items such as are commonly sold for household use?

A. We carry items up to $1.50 or $2.00 merchandise.

Q. Now, in order to obtain your new supplies of stock and have them available on Saturday, as I understand it, you would have to put in your order earlier than the preceding Saturday, under present conditions?

854 A. That is right.

Q. I assume that you send them the order by mail?

A. Air mail.

Q. And it would be received at the San Francisco distributors' office normally when—Monday sometime?

A. Yes.

Q. So, in order to get the same results, under present transportation conditions, you would have to mail that air letter Friday, instead of Saturday, I take it?

A. Yes; Thursday or Friday in order to make connections.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. Mr. Burns, I don't think I understand it. Do I understand that, or did you give the reason why you could not have shipments out of San Francisco at the present time into Yakima for Saturday's business when you placed an air mail on the previous Saturday? I understood you to answer Mr. Ellis that Saturday was the largest day of the week in the volume of sales?

A. Yes.

Q. You anticipate your needs for the following Saturday, and than you fill out an air-mail order?

A. Yes.

Q. There is direct air-mail service between Yakima and San Francisco?

855 A. Yes.

Q. So that an air-mail letter would be received in San Francisco Monday morning?

A. Sometime Monday.

Q. And then, under a three-day service—assuming there is a three-day service from San Francisco to Yakima—isn't that sufficient time in order for you to receive it and have it on your shelves for the next Saturday's business?

A. It does not work out so.

Q. Why?

A. I think it is the system that they have in rewriting the order and packing the merchandise for shipment at the warehouse.

Q. When you say "they," whom do you mean?

A. Well, Butler Brothers, San Francisco.

Q. That is the concern you are speaking of, mostly?

A. That is right.

Q. Then, do I understand that you are requiring a day faster service on this merchandise in transit from San Francisco to Yakima because the firm from whom you buy does not see fit, or at least does not fill your order, to get your goods back to you in sufficient time for the following Saturday's business?

A. I think it would interrupt regular service, their routine of packing.

Q. My statement is a fair statement, though, isn't it?

A. Well, maybe I can answer it a little better if you

856 will state it again.

Q. All right. Don't misunderstand me. I don't want to enter into an argument; I just want it straight on the record. You are requiring a day faster transportation service because of the length of time it takes the source of your orders down there to get the order filled?

A. I am not requiring it, but it would fill a need for me.

Q. I am not distinguishing between need and requirement; they amount to the same thing, don't they?

A. Yes.

Q. Is my statement a fair statement?

A. Yes.

By Chairman TERRIL:

Q. You can't anticipate your needs further in advance than the week preceding?

A. No; there are so many numerous items that you could not figure on it.

Redirect examination by Mr. SCHAFER:

Q. Do you have any control over Butler Brothers, or have you tried to get them to pack your stuff and get it back quicker?

A. I asked them, but under their set-up they would have to deviate.

By Chairman TERRIL:

Q. Have you ever requested your present transportation facilities to speed up their service under their existing facilities?

A. Well, I have thought of it a lot of times. I really
857 didn't figure it was my place to.

Q. You have not done it?

A. That is right. That is the proper answer.

Chairman TERRIL. Is there anything else? Mr. Berol?

Mr. BEROL. No questions.

Mr. SCHAFER. Thank you very much.

Chairman TERRIL. That appears to be all. You may stand aside.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Selfridge.

HARRY SELFRIDGE was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you state your name?

A. Harry Selfridge.

Q. You are the Northwest Representative of the Berkeley Pump Corporation?

A. That is right.

Q. What is the nature of that company's business?

A. Well, manufacturing pumps and pump equipment.

Q. And where is its headquarters?

A. My headquarters are Berkeley, California.

Q. What territory do you cover?

A. Yakima east to the Dakota line; the entire State of Idaho, eastern Oregon east of The Dalles, and the southwestern part of Wyoming; that is, I have charge of that district.

858 Q. What commodities are made or manufactured by that company?

A. How is that?

Q. What is it that is manufactured by the Berkeley Pump Corporation?

A. Pumps, home water systems, tanks, and things of that kind.

Q. Do you carry a stock of those things in the Northwest?

A. I carry a small stock in Spokane.

Q. Are most of your sales filled out of that stock?

A. Very few. I just try to anticipate the wants of our customers, and I often miss the guess.

Q. What percentage of your sales do you draw directly from Berkeley?

A. I draw directly from Berkeley, mostly by wire.

Q. What percentage of your sales are drawn directly by wire rather than out of the Spokane warehouse?

A. 50 percent, roughly speaking.

Q. Are you acquainted with the transportation facilities available to you out of Spokane to such points at Kalispell and Northern Idaho?

A. Yes.

Q. What service do you have there?

A. The Great Northern and Northern Pacific.

Q. What transit time from Berkeley?

A. For shipments leaving Berkeley, it takes 8 days to Fairfield, which is north of Kalispell; and on one shipment, from
859 Berkeley to Sand Point, it took about 18 days. On other shipments, it would be about 10 days from Berkeley to Spokane. That has been our recent experience.

Q. Do you know what truck service is presently available between Berkeley and Spokane?

A. Only through truck service affiliated with the Consolidated, is all I know.

Q. What time in transit do they offer you?

A. We get third-morning delivery after the shipment is made out of Berkeley.

Q. Are you entirely satisfied with the present service?

A. If we could get better service and can get expedited freight, that would be much better for us.

Q. Are there instances when you have been inconvenienced by lack of transportation?

A. Yes; we have lost sales; we have had to wire for our water systems. If a man wants a water system, he doesn't want to wait three days but wants it right away; he will go down to one of these small towns, or get it somewhere else where he can get it right away.

Q. Would second-morning delivery help you?

A. I believe it would help us a great deal; it would save us a lot of trouble and worry.

Q. You understand the Consolidated Freightways is proposing second-morning delivery?

860 A. That is what I understand.

Q. Would such a second-morning service be of any help to you in cutting down the stock at Spokane—in cutting down the size of your stock at Spokane?

A. Yes. My stock in Spokane would be eliminated entirely if I could get a two-day service from Berkeley; there would be no necessity of carrying stock in Spokane.

Q. Have you used the services of the Consolidated Freightways out of other points?

A. North out of Spokane.

Q. Spokane to Kalispell?

A. Yes; Spokane to Kalispell. I get a four-day service to Kalispell from Berkeley, and then after that I get an overnight service out of Spokane.

Q. You mean an overnight service to Kalispell from Spokane?

A. That is correct.

Q. Have you found them satisfactory and dependable?

A. Very much so.

Mr. SCHAFER. You may cross examine.

Chairman TERRIL. Are any of your shipments of merchandise, of an emergency nature, so as to take care of break-downs?

A. You mean on the equipment?

Q. On any of the equipment?

A. On break-downs?

Q. Is any of the equipment that you handle, is it of such
861 an emergency nature that it is intended for break-downs, or is it merely to supply the customer with his usual needs?

A. Just to supply the customer when he wants it. When he wants it, he generally wants it right away.

Chairman TERRIL. You may cross examine.

Cross-examination by Mr. ELLIS:

Q. What rail service into Spokane do you have out of Berkeley?

A. Southern Pacific to Portland and Union Pacific; and we also have the Great Northern.

Q. Don't you have a fourth morning delivery out of Berkeley to Spokane?

A. By rail?

Q. Yes.

A. We have never had it.

Q. Have you utilized the rail service recently?

A. Up to the last three weeks.

Q. Did you say what your present rail service was?

A. By truck?

Q. By rail to Spokane.

A. Shipments leaving Berkeley on the 7th of June reached there on the 25th; I didn't find out what held it up.

Q. That is not a normal service by rail?

A. I don't know; I never got very good service by rail.

Q. In spite of the fact that you have rail competition?

862 A. Yes. We can ship Union Pacific, Great Northern, or Northern Pacific.

Q. The truck service is superior?

A. Far superior.

Q. I take it that you have not had occasion to make a serious complaint to the Consolidated Freightways or anybody else about the time of delivery by truck on your shipments?

A. We have not done so.

Q. As a matter of fact, you have been pretty happy——

A. (Interposing.) Once in a while it would be delayed a day, and then it would be fourth-day delivery.

Q. As a matter of fact, haven't you been pretty happy at the type of service you have been getting as compared with the rail service?

A. Very much pleased with it.

Mr. ELLIS. That is all.

Cross-examination by Mr. HEDGES:

Q. What was it that you understood the Interstate Commerce Commission was determining in this proceeding when you were asked to come here and appear?

A. My understanding is that the Consolidated is asking for a through line from the Bay District direct to Spokane and other northwest points.

Q. With rights to operate their own equipment themselves?

A. That is the way I understand it.

863 Q. Was it represented to you that these rights were necessary in order to improve the present service?

A. Yes.

Q. By the way, is the Berkeley Pump Company, or has the Berkeley Pump Company any connection with Juczi?

A. Who is that?

Q. Juczi (spelling).

A. No.

Mr. HEDGES. That is all.

Mr. BEROL. No questions.

Mr. SCHAFER. No redirect. Thank you very much.

(Witness excused.)

Mr. SCHAFER. Mr. Hays.

GLEN G. HAYS was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Glen Hays?

A. Glen G. Hays.

Q. You are with the Bearing and Rim Supply Company?

A. Yes, sir.

Q. Of Spokane?
A. Yes, sir.
Q. What is your title?
A. Purchasing agent.
Q. Do you have control of the routing of traffic?
864 A. Yes.
Q. On the items which you purchase?
A. Yes.
Q. What is the business of the Bearing and Rim Supply Company?
A. We handle automotive supplies, parts, accessories, and some industrial items.
Q. Do you have occasion to get freight from San Francisco?
A. Yes.
Q. You heard the questions addresssed to the last witness?
A. Yes.
Q. If you were asked the same questions on direct and cross-examination, would your answers be similar?
A. Substantially so; yes.
Q. On the point of emergency shipments, do you have any emergencies other than the ones expressed by him? I believe he said the principal emergency was to sell the customer before he got away.
A. Our business is to supply a man who is in trouble; when he is in trouble, he is usually in a hurry.
Q. What trouble do your customers get into?
A. Oh, the trucks break down, and various things.
Q. Did you state what commodities you deal in?
A. Auto parts.
Q. What type of automotive equipment?
A. We handle batteries, trailer axles, paint, air-brake parts, and so on.
865 Q. Any tractor equipment?
A. Yes, bearings.
Mr. SCHAFER. That is all on direct.

Cross-examination by Mr. ELLIS:

Q. Did you ever help the Consolidated when they were in trouble?
A. Yes.
Q. Do you sell them any substantial amount of supplies?
A. How is that?
Q. Did you ever sell the Consolidated Freightways any supplies?
A. Yes, I would say that we sell all the freight lines.

Q. Are you in a position to estimate approximately the annual purchase the Consolidated gets from your company?

A. I think that is confidential information.

Q. You don't care to disclose it?

A. No.

Q. I won't press the matter. Do you ever use express service from San Francisco to Spokane?

A. Yes.

Q. How does the service which you now receive via the Consolidated Freightways from the Bay area to Spokane compare with the express service?

A. The express service gives us second morning, and the Consolidated third morning.

Q. You would like to have your freight service equal to
866 the Express service; is that your position here?

A. Yes.

Mr. ELLIS. That is all.

Chairman TERRIL. Is there any further cross-examination of this witness?

Mr. BEROL. I pass.

Chairman TERRIL. That will be all, Mr. Hays. Thank you.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Ross.

CLYDE A. ROSS was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Clyde A. Ross?

A. Yes, sir.

Q. And what is your position?

A. I am with the Ross-Olney Company in Spokane.

Q. What position do you occupy with that company?

A. I am the president of it.

Q. In what business is the Ross-Olney Company engaged?

A. Electrical, wholesale.

Q. What commodities does that include?

A. That comprises pipe, wiring, conduits, general electrical equipment, various devices.

Q. What territory do you operate in?

A. From the Canadian border to Pendleton on the South,
867 from Ellensburg on the West and Helena on the East.

Q. Do you obtain any merchandise in California, and, particularly, the San Francisco Bay area?

A. We do.

Q. About how much business do you do from that territory?

A. Oh, it would be two or three shipments a week,

Q. What size of shipments?

A. Varying from 100 to 200 pounds per shipment.

Q. If I asked you the same questions about the existing service from the Bay area into the northwest points that you serve, which were asked of Mr. Selfridge, would your answers be similar?

A. Substantially the same.

Q. It is your understanding, if this certificate is granted, the Consolidated will inaugurate a service that is 24 hours faster to Wenatchee, Ellensburg, Spokane, Missoula, Kalispell, and such points as that?

A. That is the information I have been given.

Q. Do you have occasions when such a saving in time would be valuable to you?

A. Very often.

Q. If I asked you the same questions on direct and cross-examination that were asked of Mr. Selfridge and Mr. Hays, would your answers be substantially similar?

A. Very much so.

Q. Do you have any further statement you care to add?

868 A. Nothing.

By Chairman TERRIL:

Q. Do your truck and rail shipments from the Bay area—do you use both?

A. We use truck and rail.

Q. And how many shipments a week, did you say?

A. Two or three.

Q. When you speak of two or three shipments, do you mean by truck and rail, or truck only?

A. Truck.

Q. And your shipments coming by truck are small shipments?

A. Very small shipments.

Mr. ELLIS. I take it that the shipments from San Francisco are a very small part of your requirements?

The WITNESS. Probably 20 percent of our freight requirements.

Chairman TERRIL. Any further questions?

Mr. BEROL. No questions.

Chairman TERRIL. You may be excused.

(Witness excused.)

910 Chairman TERRIL. We will recess until 7:15 this evening.

(At 5:30 o'clock p. m., hearing recessed until 7:15 o'clock p. m. of the same day.)

911 EVENING SESSION—7:15 O'CLOCK P. M.

Chairman TERRIL. We will be in order, gentlemen.

Mr. SCHAFER. I would like to put on Mr. Berger.

H. O. BERGER was sworn and testified as follows:

DIRECT STATEMENT

The WITNESS. My name is H. O. Berger; I reside in Seattle, Washington; I am a consulting rate and traffic expert; and I appear here on behalf of the Manufacturers' Association of Washington. My experience in transportation extends back to 1910. I had about eight or nine years railroad transportation experience; and in 1921 was, and until 1927, with the Washington Department of Public Service as an assistant, rate expert. Since that time I have been in consulting practice. The Manufacturers' Association of Washington employed me some six or seven years ago in an advisory capacity, and I have been in that position ever since, although it does not occupy, I would say, much of my time; and I devote my time to other endeavors as well.

The Manufacturers' Association of Washington is composed at the present time of about 165 members, being manufacturers located in Washington, who actually do manufacturing within Washington. It is not devoted to exclusive jobbing or anything involving merely distribution.

912 Examiner KEPHART. It covers the entire State?

The WITNESS. It covers the entire State. Of course, not all the manufacturers are members, but one-third of the value of the products produced, other than lumber, is represented by the membership of the Association. I have been directed by the Board, composed of nine members, to appear here and present the views of the Association and of their members.

In connection with this particular service, the service by truck may be substantially, in my judgement, divided into two sorts: There is the first, which is composed of lines—I am speaking about the business largely from Puget Sound into Northern California and the Bay district—whose principal southbound freight consists of fish and other refrigerated products, extending their services to the terminals in California, principally; the second is composed of carriers who handle general freight through connections at Portland and at Medford.

Generally speaking, the lines depending upon terminal traffic, which I have already classified in the first group, take other freight as incidental to their regular line of freight; and those lines that are in the second class take the Northern California freight to the Bay district as more or less incidental to their local and other freight.

The proposed service offered here on a daily basis, having attention paid directly to traffic not only into the terminals
913 but at intermediate points, large and small, will reduce the

transit time as much as 24 hours, and will substantially improve the service that the members of the Association now have; and they favor such improvement. They feel that such a service is needed, and they wish to have it.

Substantially, one must say, too, so far as the Manufacturers' Association is concerned, they must likewise be divided into classes. I don't intend to imply that every one of the manufacturers in the State of Washington may be using this service, because they are devoted to the production of the large, heavy moving commodities, and articles of that kind as distinguished from miscellaneous manufacturers. In substance, I would say that the miscellaneous manufacturers are the ones that would be the most benefited. In that connection, the Imperial Candy Company is a shipper who has been interested in this particular traffic; they are a member of the Association, and I am acquainted with them. I have been in touch with their rate matters from time to time, because, in connection with my duties, I find it necessary, in rate proposals, to offer letters of support or disapproval of certain proposals presented to the transportation lines, and, in connection with that, I have to make more or less irregular, but nevertheless constant, examination of the conditions that are presented before the members, or whether they be members or not, if they be manufacturers.

914 The Imperial Candy Company do have regular shipments; their volume in the summer time is not as great as it is in the winter time, because the type of candy they sell seems to be eaten in greater volume in the winter time than in the summer.

Examiner KEPHART. Isnt that true of all candies?

The WITNESS. I think that is true. They have shipments which range from 150 to 250 pounds per day, and they will go to a maximum of 20,000 pounds per month. That is centered, as to territory, around the San Francisco Bay district; and they have a salesman in that territory. Their desire for that service is to meet the competition which they have. They have a vigorous competition located not only at San Francisco but more or less from the National producers of candy who get their candy shipped to the Bay district in large quantities, by other service, boat and rail.

The Pacific Wax Paper Company have already been here and testified; they are a member. Richardson & Holland are producers of fountain supplies, syrups and crushed fruits, used for fountain supplies and ice cream powders. They also manufacture a doughnut mix. However, the doughnut mix moves in carload quantities; the ice cream powders do not.

The Crescent Manufacturing Company, is a manufacturer of

spices, and they sell nationally a brand of syrup called
915 [manuscript illegible] the production of syrup. It is produced by a secret process; that is sold nationally. However, their spices are sold generally within the western states—not only spices, but other products of that similar character. They need the service for practically the same reasons, to meet competition which may be located in San Francisco or from eastern manufacturers who ship into that territory; or in any of the territory which becomes competitive to Portland and Los Angeles.

The American Cracker Company is a producer of crackers and cookies of different kinds, much like the Nabiscos that we know of, and the Fig Newton bars and things of that sort. They ship in carloads; but their less-than-carload business amounted to about 124 carloads, or 2,750,000 pounds. They need service of this character to the Northern California points, where it becomes difficult, because of rates and freight charges, to ship to their warehouse at San Francisco and then distribute them north.

Those are more or less typical examples, to show that we urgently need the service here proposed.

I think that is all my direct statement.

Chairman TERRIL. Do you have any questions, Mr. Schafer?

Mr. SCHAFER. No.

Chairman TERRIL. Cross-examine, gentlemen, if you care to.

Cross-examination by Mr. ELLIS:

916 Q. Mr. Berger, do you know whether the subject of this case was taken up at a regularly called meeting of the members of this Manufacturers' Association of Washington, or if it was merely acted upon at a meeting of the Board of Directors?

A. It was at a meeting—what do you mean? Was it a full membership?

Q. Was it acted upon at a meeting of the membership of the Association, where the subject was discussed, or was it merely considered by the Board of Directors?

A. I thought I had made that plain, that it was acted upon by the Board of Directors, composed of nine members.

Q. Do you know anything about what representation was made to that Board of Directors to induce them to take the action which they did take?

A. I don't know of the proposal, or what proposal, or what was submitted to them at that meeting, because I was not at that particular meeting. I was at a prior meeting of the Executive Board, composed of three members, and the manager of the Association presented the situation, Mr. Lewis, before those three members. I was not at the subsequent meeting.

Q. Was it presented as a result of some written statement by the Consolidated Freightways, or some representative of the Consolidated Freightways?

A. No, I don't believe so. In fact, I know it was not at that time presented in that manner. The proposal came—well,
917 it would be hearsay to say it, but I believe it would be proper to explain how the manager obtained the information.

Q. Briefly. I think it would be helpful.

A. The members of the American Cracker Company, the Crescent Manufacturing Company, the Imperial Candy Company—those three, I know—broached the question to the manager, and then he presented it to the Executive Board. Now, I was not at the subsequent meeting of the nine-member Board, when that meeting was held.

Q. To the best of your knowledge, it was the recommendation of the Executive three-member Board which resulted in the recommendation of the Board of Directors of nine members?

A. I think that is right.

Q. The substance of their recommendation was for you to appear here and indicate that the Board had expressed itself as being favorable to any improvement in service that might be brought about as a result of this pending application?

A. Yes.

Q. You didn't intend here to indicate that you have any particular ideas as to how that improvement in service should be brought about, but you were merely interested in obtaining such improvement in service as might be practical?

A. I think Mr. Lewis merely presented it. In answer to your question, I think I could say "yes" to that, Mr. Ellis. I would like to add to that, to this extent, that the
918 Manufacturers' Association, those members particularly that I referred to specifically here, are interested in obtaining the service through in the sense of through traffic, without stops, and, if possible, without transfer at intermediate points.

Q. As to what carrier shall perform the service, I assume that is not a matter of importance to the Association?

A. No. They are interested in the service.

Q. From your experience in regulatory matters, I assume you will agree that it is human nature on the part of shippers to always desire better service, if it can be had?

A. Yes.

Q. And you realize, of course, that the desires of your membership for better service must be weighed with other factors and other public requirements of their communities to arrive at a conclusion of what is really justified and what is really in the public interest?

A. Yes; that is true, Mr. Ellis.

Mr. ELLIS. That is all.

Mr. HICKSON. No question.

Cross-examination by Mr. JENNINGS:

Q. Mr. Berger, from your experience, have you found that traffic conditions would control trade territories?

A. That is a general statement. I think one could say "yes." I don't know all what you mean by that.

Q. Would you say that, regardless of rates, the service
919 might control a trade territory?

A. If there is not too much of a disparity, that might be true; disparity in the rates, I mean.

Q. Would you say, from your experience, that the disparity might be considerable, under certain circumstances, whereby a trade territory might be changed by added service?

A. Yes. One would have to divide that according to commodities, probably.

Q. Would that be true of commodities handled by the Manufacturers' Association?

A. Yes.

Q. Was that point considered by the Association?

A. Yes. I think I understand now what you mean, that service will likewise improve from competitive manufacturers located elsewhere, manufacturers who would be competitive with the manufacturers of Washington. Is that your point?

Q. Yes.

A. Yes; they did consider that.

Q. Did I understand it was their idea that they were in favor of improving the competitive situation of their competitors?

A. Well, no. I don't think anyone is in favor of that, generally speaking, but they realize that what is good for the goose is good for the gander.

Q. Is it your opinion that would be the result, in certain instances, of the proposal here?

920 A. What would be the result?

Q. In improving the competitive situation of the Manufacturers' Association's competitors?

A. That is evident.

Q. That that would result?

A. That the service would be improved.

Mr. JENNINGS. That is all.

Chairman TERRIL. You would not attempt to cut off the improvement of the service of your competitors through any action of the Commission or Board?

The WITNESS. I would not expect the Board to do so.

Cross-examination by Mr. HEDGES:

Q. In your experience, have you found, where service is performed by joint carriers and later performed by a single carrier, that there is a tendency to reduce the rates of the single carrier because of the fact that the single carrier is performing the overall service?

A. The former intermediate carriers are eliminated, under your question?

Q. Not necessarily.

A. Or retained?

Q. In either case.

A. Well, there has been a tendency more or less for reduced rates in every direction since the inception of truck competition. The question is too general for me to state.

921 There probably would be some tendency along that line.

Q. Has that not been your experience or observation over a period of years? You have been quite close to it.

A. Well, any historical study of rates would show that that has happened; but one could not fully tell whether that would happen under other conditions or not.

Mr. HEDGES. That is all.

Mr. HICKSON. No questions.

Cross-examination by Mr. PERRY:

Q. Your testimony, Mr. Berger, as I understand it, is to approve this application because it improves the service between San Francisco Bay and the Washington points involved?

A. Yes; to points in Northern California.

Mr. PERRY. That is all.

Cross-examination by Mr. ADAMS:

Q. Do any of your members have plants at Olympia?

A. Yes.

Q. At Chehalis?

A. Yes.

Q. Centralia?

A. I wouldn't say about Centralia. I will be willing to admit that, because the Manufacturers' Association—whether a manufacturer is a member or not—is very apt to function in their behalf if they are requested to do so. We know there is manufac-

922 turing in Centralia, or Chehalis, whichever it was. In Chehalis, I know there is a member.

Q. You have members in the principal towns south of Tacoma on United States Highway 99?

A. Yes.

Q. To the State line?

A. Yes.

Q. And you also have them in the principal cities in the Grays Harbor district?

A. Yes.

Q. Hoquiam, Aberdeen, and those towns in there?

A. Yes.

Q. I also take it that you have them in the Yakima and Wenatchee valleys?

A. Yes; and in Spokane.

Q. And from the north bank of the Columbia River, east of Vancouver?

A. Yes. I believe the Washougal mills are a member.

Q. You understood as to the territories I have just generally described, that the application did not propose through service in the same equipment?

A. Yes; to some of those points they do not; yes, I guess you are right.

Q. Now, your members have quite a market in Portland, Oregon, and elswhere in Oregon?

A. Yes.

923 Q. And taking as an example, your members located in Seattle, they rely quite heavily on the eight or so common carriers operating between Portland and Seattle?

A. Yes; they use them quite extensively.

Q. Now, did the Board of Directors, in taking action in this proceeding, consider what effect the proposed service would have upon the services now being accorded by the other carriers in Washington that now participate in California traffic?

A. Meaning those Seattle-Portland carriers?

Q. I used that as an example.

A. I think I can answer your question, yes, that that was discussed; I feel that they did so consider it.

Q. Do you know whether they had any statistical data or any other information before them that would be, from your experience as a transportation man, any sort of an accurate determination of the possibility of impairing the services of the other carriers?

A. I know, Mr. Adams, that they had no statistical information at the Executive Board meeting where I was present; I don't know as to the other. I don't suppose that they did have.

Q. When you say it was considered, about all you can say is that it was mentioned? Isn't that so?

A. No; I don't think so; it was discussed.

Q. But you cannot say it was discussed on any factual basis?

A. Not from the standpoint of statistical information.

924 Q. Nor any other factual basis? Is the answer "no"?

A. I think "yes"; you could say "no."

Q. The answer is "no"?

A. I think you could say "no."

Q. I notice you have been in town for several days. You had probably gathered that the Oregon-Nevada-California Fast Freight had an application coming up for hearing tomorrow?

A. Yes.

Q. Which will enable them to give, over their own line, a through service from San Francisco to Portland?

A. Yes; I know that. I will say that the Executive Board also knew of the application of the Oregon-Nevada-California Fast Freight.

Q. Can you state as to what consideration or what action they took with reference to that application?

A. I think I have already stated it in my direct testimony. They are interested in an improvement in the service. They don't take any sides, except that they do want to have an improved service which will, as much as possible and as consistently as possible, move freight through, without transfer from one truck to another; and any proposal along that line that reduces the time 24 hours will be favored by the Association.

Q. Would you limit it to 24 hours, or to any extent?

A. That will make a second-morning delivery.

925 Q. Do you mean to say, if it was demonstrated on this record, that the applicant could not make second-morning delivery, that your testimony on behalf of this applicant should be disregarded?

A. No; I wouldn't say that, because that is restricting it too much.

Q. What you mean is that you want an improvement in service?

A. Any substantial improvement in service which will allow them to deliver more goods more promptly than now.

Q. Regardless of who performs it?

A. Yes.

Q. Your Association will favor such an improvement?

A. Yes.

By Mr. HICKSON:

Q. If another carrier came along tomorrow, you would endorse that carrier?

A. I couldn't say what the Board would do.

By Mr. JENNINGS:

Q. In connection with your regular work, you have had occasion to be familiar with the schedules operated by the various carriers between California and Washington points?

A. In a general way; yes.

Q. Have you any knowledge of the schedule operated by the Pacific Truck Express, which left San Francisco shortly before noon, arriving in Portland early in the next afternoon, making connections for all Washington points, at Portland, which
926 was operated for a year or more?

A. Pacific Truck Express?

Q. Yes.

A. That is some time ago?

Q. About nine months ago.

A. Making connections at Portland?

Q. Yes.

A. No; not to that extent.

Q. You don't know that they ran that sort of a schedule?

A. No.

Q. Did you have any knowledge at all of the schedules of the Pacific Truck Express?

A. In the past; yes.

Q. I don't mean that they are running it now. I mean the schedules that they were running a year ago. You don't know that they ran such a schedule a year ago?

A. I knew that they ran through to Frisco.

Q. You didn't know that they came in here at three o'clock in the afternoon?

A. No.

Q. Did you know that they came in here in time to make connections with the lines going north and east to Spokane?

A. No.

Q. If that were true, and if it was shown that there was such a schedule, which was operated for at least a year, would
927 you not have any knowledge whether the members of your Association patronized that service?

A. I didn't have any knowledge of it; I don't have it now.

Q. Let me put it this way: Would such a service supply your needs, insofar as this application is concerned?

A. You have only got the north-bound direction; that would hardly supply their needs.

Q. So far as the north-bound movement is concerned, that would supply your needs?

A. Yes, if it made connections with lines going north so as to arrive early the second morning for delivery; I think that would supply their needs.

Mr. JENNINGS. Thank you.

Cross-examination by Mr. FARRENS:

Q. I am sorry, Mr. Berger, I didn't get the introductory part of your testimony. The position of your Board and Association

is, frankly, to consider what is for its own best interest; isn't that a fact?

A. In the interest of its members.

Q. That is right?

A. That is right.

Q. It is not based on anything else?

A. That is right.

Q. This application has to do, among other things, for example with an application for authority to run from Redding to
928 Alturas to Lakeview; and I would assume that your membership would not be interested in that particular service, would it?

A. No; I don't think they would be.

Q. And your membership would not be interested in the proposed service up Highway 101, between San Francisco and Coquille? Is that a fact?

A. Yes; I think they would be. They would if it would provide, and it does, according to what is proposed here, a through service into the Northern California points; particularly, into Eureka.

Exam. KEPHART. By connection?

The WITNESS. Yes; by connection.

Exam. KEPHART. At what point?

The WITNESS. At Portland.

By Mr. FARRENS:

Q. That, then, is the extent of their interest in it?

A. I would say it is. It is a substantial interest because, at the present time, it means, to a large extent, shipping back out of San Francisco.

Q. Am I correct in assuming that the local carriers who perform connected service between San Francisco Bay and Coos Bay on Highway 101—that their fate would not be a matter of interest to your members?

A. I think their fate would be dependent upon the respective needs of our manufacturers, the Washington manufacturers,
929 for obtaining good service into that territory.

Q. What I am getting at: If this service proposed by this applicant were permitted on Highway 101, it being a daily service, and proposing to serve all points in interstate commerce, that would fully meet the demands of your members on the California route, and it wouldn't make any difference to your members whether the presently existing local carriers existed or not, as long as they had that service?

A. I think you are stating it correctly.

Q. I am just trying to analyze precisely the interest of your

membership. In connection with that portion of the application which proposes to use the Willamette Pass Highway from Goshen to points on The Dalles-California Highway, which is north of Chemult—if that service were installed, your Association would not be at all concerned with the fate of the present small operators who are operating on that portion of the highway which is completed, and who have applied for authority to operate between Klamath Falls and Eugene in the future?

A. I would say not.

Q. You would not be interested in their fate?

A. No.

Q. The main interest of your Association is to obtain better service?

A. That is right.

930 Q. For themselves?

A. For themselves, of course.

Q. And they would not be concerned, and fairly so, from the standpoint of their own interests, with what would happen to the services of the merchant in Bandon who, also, had some trade in Port Orford which he could serve by local carriers?

A. I think, in substance, they would not. Of course, other factors might be given some consideration. But I think I have stated that they are interested in obtaining a better service, and a service that may be more equal to what is given in other territories.

Q. Their approach to the question of whether or not a certificate should be granted is therefore a very different approach than that which the Interstate Commerce Commission itself must make in considering the proposal?

A. It is one of the matters.

Q. And you represent one of the matters?

A. At least one of the matters.

Q. Now, if I understood that portion of your testimony which I was fortunate enough to hear, you don't represent any interest; you don't care whether it is the Consolidated Freightways or the Oregon-California, just so it is a responsible carrier?

A. That is right.

Q. Now, if it should develop that these two carriers, each

931 of whom have connected with each other for years, who are seeking to invade each other's territory, reciprocally, could, if the Commission required them, make their connections and their service both at the Medford interchange and at the Klamath Falls interchange of such a character that it would give you the same delivery that the Consolidated is now promising to you, would that substantially meet your needs?

A. Except for the territory on United States Highway 101, it would.

Examiner KEPHART. You mean United States Highway 101 in Washington?

The WITNESS. No; I mean in Northern California and Oregon.

Mr. FARRENS:

Q. You are referring to the service between Coos Bay and San Francisco Bay on 101?

A. That is right.

Mr. PERRY:

Q. Has the applicant in this case proposed to your Association that they are going to give more rapid service to points on Highway 101?

A. On the points at least beyond Crescent City.

Q. They have proposed that they are going to give you a better service in there?

A. That is my analysis of it.

Q. If it were developed, in exhibits presented by this applicant, that their service is not going to be improved on Highway 101 in Northern California below Crescent City, would you
932 continue to support their application?

A. I think so.

Q. You would support that application, in view of the fact that you could not get as good service as you are getting at the present time?

A. In that case, I think that the feeling is that they would be able to handle it through directly with one carrier rather than several. At the present time there is an interchange.

Q. Is the handling through by one carrier more important to the members of your Association than a rapid service?

A. No; I think one has to classify them, to some extent, Mr. Perry. They are interested in a faster and a speedier service; they are interested, also, in a service that will handle the goods in the best possible condition.

Q. Has there been any complaint from your members on the handling of goods on Highway 101?

A. Specifically as to Highway 101, I would not say there has been any registered with me. I think I can say that the American Cracker Company are not sending their crackers to Northern California now by truck because they are dissatisfied with the service.

Q. If they were offered a slower service, are they going to be satisfied with that?

A. If they are going to have their goods handled in better fashion, I believe they would be.

933 Q. But there has been no complaint as to goods arriving in bad condition?

A. Not specifically; not that I know of.

By Mr. HICKSON:

Q. Just a minute. The question of Mr. Perry suggests something to me. Mr. Berger, is it your understanding and the understanding of the members of your Association, and the people you represent, that the Consolidated Freightways, if granted a certificate, would give you a through service from Washington points on United States Highway No. 101 to Marshfield?

Examiner KEPHART. He stated, through connections at Portland.

By Mr. HICKSON:

Q. Did you understand that they would give you a through service to points on Highway 101 south of Marshfield, from Portland?

A. From Portland?

Q. Yes.

A. That was my understanding.

Q. If they did not give you such service on that freight, and that freight was interchanged on the Pacific Highway, at Eugene or Roseburg, would that change your opinion as to the benefit to be derived from that service?

A. It would depend on how the goods arrived at destination. I think, in the case of the American Cracker Company, they would use that service, if it was satisfactory. So far as that is
934 concerned, I think the principal point would be the arrival of the goods in good condition.

Q. At the present time, they have to be transferred to the Central Transfer Company at Marshfield for points south of Marshfield, do they not?

A. I don't know the exact interchange. However, that is true, so far as Oregon points are concerned. As far as that particular part is concerned, I don't think there is any proposal to make a change in that situation.

Q. And that will not be any better, if this proposal is granted, will it?

A. No. Substantially, it won't be.

Mr. HICKSON. That is all.

Chairman TERRIL. Are there any more questions, Mr. Schafer?

Mr. SCHAFER. I have no questions.

Chairman TERRIL. Thank you, Mr. Berger.

(Witness excused.)

Mr. SCHAFER. I can state at this point that the two Lakeview witnesses which I have had waiting here have had to go home, and we have no further witnesses.

Chairman TERRIL. Those witnesses are not going to appear on the 22d?

Mr. SCHAFER. No. We can't bring them back up here; it is 450 miles.

Chairman TERRIL. Proceed, Mr. Hickson.

Mr. HICKSON. I will call Mr. Moore.

935 Mr. ADAMS. I wonder if any party here would have any objection to having incorporated into the record of the Oregon-Nevada-California Fast Freight case, the testimony of Mr. Berger, insofar as the testimony is applicable?

936 Mr. JENNINGS. We have no objection.

Mr. ADAMS. Does anyone here have any objection to it being incorporated by reference?

Mr. HICKSON. I have none.

Examiner KEPHART. Copies, perhaps should be furnished to the parties.

Mr. ADAMS. We will do that. Thank you.

978 Chairman TERRIL. Do you have any more emergency witnesses, Mr. Hickson?

Mr. HICKSON. I think not.

Mr. HEDGES. Before we recess now, I want to get it straight in my mind whether we are going to be recessed until the 22d.

Chairman TERRIL. I will take care of that in a moment. This proceeding, and likewise the proceeding assigned for hearing before Joint Board 172, which was called at the opening of these proceedings, will be recessed until nine o'clock a. m., on July 22, in this building some place.

(At 9:50 a. m. on the 10th day of July 1940, hearing recessed until 9:00 o'clock a. m. July 22, 1940.)

979–980

MULTNOMAH HOTEL,
Portland, Oregon, July 22, 1940.

Before Joint Board No. 11, composed of C. T. Terril, representing the Public Utilities Commissioner of Oregon and Warren K. Brown, representing the Railroad Commission of California.

Present, also, C. I. Kephart, Examiner, Bureau of Motor Carriers, Interstate Commerce Commission.

Hearing resumed at 9:00 o'clock a. m.

Appearances: (As heretofore noted, with additional appearance as follows:)

Ray H. Culbertson, 6th Avenue South and Holgate Street, Seattle, Washington, appearing on behalf of the Pacific Highway Transport.

PROCEEDINGS

Chairman TERRIL. This is a continuation of the hearing in the Consolidated case, which was adjourned July 10, 1940, to this time and place.

Are there any further appearances in this case?

Mr. CULBERTSON. Ray H. Culbertson, 6th Avenue South and Holgate Street, Seattle, Washington, appearing on behalf of the Pacific Highway Transport. I am admitted to practice before the Commission.

Examiner KEPHART. As a protestant or intervener?

Mr. CULBERTSON. As a protestant.

Chairman TERRIL. Are there any other appearances that
981 have not already been entered? If not, we will proceed.

Mr. SCHAFER. As I recall, I never had asked Mr. Snead any redirect, and he had finished his cross.

Chairman TERRIL. Is that agreed upon by Counsel?

Mr. SCHAFER. First, I have the promised corrections of Exhibit 2, and I would like to substitute this corrected copy for the one which now has been given the identification number, but which has not been received.

We hope we have gotten all the bugs out of this exhibit, but we won't even guarantee that. There are too many stations in it.

Mr. HEDGES. What will be the number of this exhibit?

Chairman TERRIL. I asume it will be Exhibit No. 2, substituted for the one that is now in the record.

Mr. SCHAFER. That was my intention.

Mr. BEROL. May I suggest, there has already been an exhibit given the number 2 as an identification number, and considerable examination has been had on that exhibit. I think there will be confusion if this exhibit is given the same number.

Chairman TERRIL. This one is substituted.

Mr. HICKSON. I would like to know whether this is the only time schedule; I understand there is to be furnished a time on departure and arrival?

Mr. SCHAFER. Mr. Snead has worked up a schedule
982 which is not yet printed; it is not yet in printed form, which we will have printed today or tomorrow.

Mr. BROWN. Is that supplementary?

Mr. SCHAFER. Yes. However, can't he testify as to the departure times and arrival times, so that the parties may cross-examine, and we may be able to conclude with the witness this morning?

Mr. BROWN. Is that going to be supplementary to the corrected Exhibit No. 2?

Mr. SCHAFER. Yes. It would serve that purpose. As we have stated before, Mr. Brown, we don't believe in time schedules for freight operations, with arrival and departure times definitely set. If we are ready to go, that is, loaded, an hour and a half ahead of time, we don't wait for the departure time; we don't operate that way. We don't have a schedule in the sense that it is set, such as a passenger operation; we contend that is not suitable

for our operations at all; however, we have prepared a rather condensed time schedule, which the Board may have and the parties may have, if they will give us a little more opportunity to have it printed for them; or we will read it into the evidence so that they may cross-examine on it now.

Mr. BROWN. Is this the total number of items which Mr. Snead has in his hands?

Mr. SCHAFER. Can't we go off the record?

983 Chairman TERRIL. Off the record.

(Discussion off the record.)

J. L. S. SNEAD, JR., was recalled, having been previously sworn, testified as follows:

Direct examination by Mr. SCHAFER:

Q. Mr. Snead, when you were on the stand previously, you were asked about the operations of the schedules, and the rehandling of the freight destined to small intermediate points, for instance, between Eugene and Roseburg, and between Grant Pass and Roseburg, and such places as that; and I would like to ask you what percentage of your total volume is destined to such points and is so rehandled?

A. During the month of June, north-bound, out of Medford, that was approximately 2% of the total tonnage.

Q. Is the other 98% of the tonnage loaded in station order, so that it does not have to be shuffled back and forth in the truck?

A. Yes; it is. Of course, there is a certain amount of rehandling that is always necessary, but not a great deal.

By Mr. FARRENS:

Q. Is that between Portland and Medford? Is that what you mean?

By Mr. SCHAFER:

Q. What I am after, Mr. Snead, is the volume of freight which you handle on local schedules as distinguished from the volume that is not unloaded at the junction point.

984 A. The figures I have given you are for freight destined to points, which is not handled through on line-haul, but which is handled by local, peddler schedules.

Q. Is that true?

A. Yes.

Q. Will you explain that a little more fully, Mr. Snead? Have you prepared a rough schedule showing departure times from Oakland and arrival times at points north, which you are seeking to serve here?

A. Yes; I have.

Q. Will you state for the record what your departure time will be and what your expected arrival and departure times will be at the various points in route?

Mr. FARRENS. I have no objection to this line of testimony, provided we are going to be furnished afterwards with these schedules, but I do strenuously object to having to sit here trying to keep up with the witness, while Mr. Snead is reading the three or four pages he has before him, and then depend upon my notes for the accuracy of the time schedules.

Chairman TERRIL. You will furnish it?

Mr. SCHAFER. Yes; and I am sure the transcript will show it accurately. It will not be on three or four pages.

Chairman TERRIL. Take it slowly.

A. The schedule from Oakland will leave Oakland at approximately 8:00 o'clock p. m., passing through Davis Junction
985 at 10:30 p. m.; Redding, 4:30 a. m.; Klamath Falls at 10:30 a. m.; Eugene, 5:00 p. m.; Portland, 9:30 p. m.; Seattle, 6:00 a. m.

The schedule from Oakland to Spokane: Leaving Oakland approximately 7:00 p. m.; Davis Junction, 9:30 p. m.; Redding, 3:30 a. m.; Klamath Falls, 9:30 a. m.; Bend, 2:30 p. m.; Arlington, 8:30 p. m.; Kennewick, 12:30 a. m.; Sopkane, 6:30 a. m.

The schedule from Oakland to Portland: Leaving Oakland at approximately 6:00 p. m.; Davis Junction, 8:30 p. m.; Redding, 2:30 a. m.; Medford, 8:30 a. m.; Roseburg, 1:00 p. m.; Eugene, 3:30 p. m.; Portland, 7:30 p. m.

The schedule leaving Sacramento, which, operates north as far as Redding: Leaving Sacramento, 7:00 p. m., arriving in Redding at 2:00 a. m.

The schedule from Oakland to Marshfield: Leaving Oakland at approximately 6:00 p. m., Eureka at 5:00 a. m., Marshfield at 2:00 p. m.

Examiner KEPHART. Is that the list?

The WITNESS. That is it.

By Mr. SCHAFER:

Q. And will the returning time in the opposite direction be approximately the same?

A. Yes.

Mr. HICKSON. Do I understand the departure and arrival times to be approximately the same as the running time?

The WITNESS. The running time.

Mr. HICKSON. I would like to have the arrivals and de-
986 partures on the south-bound schedules.

The WITNESS. I would be glad to give you them.

Chairman TERRIL. Proceed with your examination, Mr. Schafer.

By Mr. SCHAFER:

Q. Will you give the south-bound schedules, to correspond with the north-bound schedules that you have just given?

A. Leaving Marshfield approximately 12:00 noon, Eureka, 9:00 p. m., and Oakland, 8:00 a. m.

Mr. HICKSON. What time do you leave Marshfield?

The WITNESS. 12:00 noon.

Mr. HICKSON. And Oakland when?

The WITNESS. Approximately 8:00 a. m.

Leaving Redding approximately 3:00 a. m., Sacramento 10:00 a. m.

Portland, 8:00 a. m.——

Examiner KEPHART. Is that the Portland-Oakland schedule?

The WITNESS. That is right.

By Mr. SCHAFER:

Q. All right, proceed.

A. Portland, 8:00 a. m.; Eugene, 12:00 noon; Roseburg, 2:30 p. m.; Medford, 7:00 p. m.; Redding, 1:00 a. m.; Davis Junction, 7:00 a. m.; Oakland, 9:30 a. m.

Spokane to Oakland: Leaving Spokane approximately 6:00 p. m.; Kennewick, 11:30 p. m.; Arlington, 2:30 a. m.; Portland, about 7:30 a. m.

987 Q. Just a minute. This schedule is ordinarily expected to return through Portland, is it?

A. Yes.

Q. Why is that?

A. Because of the fact that there is very little volume from Spokane to San Francisco. This schedule will come to Portland, and at that point will connect with the Portland-Oakland schedule; and the truck coming from Spokane will remain in Portland until evening, and then it will take local freight for Klamath Falls. That schedule will then leave Portland at 8:00 p. m.

Mr. FARRENS. Are you repeating the Portland-Oakland schedule?

The WITNESS. No; that is another truck.

Mr. SCHAFER. In view of the statement that Mr. Snead has just made, that that truck will return on a local schedule, and inasmuch as we have several local schedules, instead of one local schedule, I presume the protestants will not protest the speed.

Mr. FARRENS. That reflects the service that you are giving from Spokane to San Francisco, does it not?

The WITNESS. No. The Spokane service will go on the Portland to Oakland schedule.

Mr. FARRENS. You don't have to go any further with this schedule because you have turned that freight over to the Portland-Oakland schedule?

988 The WITNESS. That is correct.

Mr. BEROL. This schedule that arrives at approximately 7:30 a. m. at Portland from Spokane, I take it, will leave, southbound, from Portland that evening?

The WITNESS. No. So far as the south-bound movement is concerned, that freight will be transferred on the Portland to Oakland schedule. There is very little moving from Spokane to San Francisco.

By Mr. SCHAFER:

Q. Will you give the Oakland to Seattle, south-bound schedule?

A. Leaving Seattle approximately 6:00 p. m., Portland 1:00 a. m., Eugene 6:00 a. m., Klamath Falls 12:30 p. m., Redding 6:30 p. m., Davis Junction 12:30 a. m., Oakland 3:00 a. m.

All of these schedules are approximate, of course.

Q. Now, will you state how these schedules compare with other schedules operated by your company throughout the system, roughly?

A. They are, if anything, a little slower than the normal schedules we operate.

Q. To what extent will you adhere to such schedules as you have just given? Do you require a driver, if he has a load and ready to go, to wait for the leaving time?

A. No; we do not. We just go by first morning delivery, for example, and if we have a load ready to go, we send it out, even though it may be an hour or two ahead of the schedule.

989 The same thing is true if it happens to be a little late. We do not require our drivers to make up time on schedules, nor to leave on time when they could leave ahead.

Q. I would like to ask you about the John Day territory. Your movements from San Francisco to John Day, would they connect at Arlington?

A. Yes. It would easily connect at Arlington.

Q. For second morning delivery into the John Day Valley?

A. Yes.

Q. Do you know what the service is between Los Angeles and San Francisco?

A. Overnight.

Q. By connecting carriers?

A. There is overnight service between San Francisco and Los Angeles by connecting carriers.

Q. What distance is that?

A. It is a little more than 400 miles.

Q. Now, are you familiar with the program of refrigeration which has been inaugurated by the Consolidated Freightways?

A. Yes; I am.

Q. Will you please state what program is being carried out along that line?

A. Well, we are building new refrigerated trailers as rapidly as we have need for them. We have the capacity for building about five a month.

990 Q. About how many are you building now that are capable of being refrigerated?

A. At the present time, we are building seven.

Q. How long has that been going on?

A. The program has been going on for over a year, but the present ones have been under construction for a couple of months.

Mr. SCHAFER. That was all the redirect I had.

Chairman TERRIL. Is there any more cross-examination of Mr. Snead?

Mr. ELLIS. I have a few questions.

Mr. SCHAFER. Pardon me, before we go any further. I would like to offer the substituted Exhibit No. 2, although it was not introduced through this witness before.

Mr. ADAMS. At the time Exhibit No. 2 was offered before, objection was made to its receipt until such time as Counsel had had opportunity to properly examine it. I certainly want to examine this exhibit before I consent to its admission.

Chairman TERRIL. The objection would only go the weight of the thing, anyway. I can see no objection to receiving it now. The exhibit which Mr. Schafer referred to will be received in evidence and marked as Applicant's Exhibit 2-A in this matter.

(Exhibit 2-A, Witness Snead, received in evidence.)

Mr. SCHAFER. I also offer the other exhibit, No. 2,

991 and I want to point out for the record that Exhibit 2-A was prepared to take the place of Exhibit 2.

Chairman TERRIL. Inasmuch as there has been considerable discussion of Exhibit 2, I think it had better remain in the record. It is understood, of course, that Exhibit 2-A is to take the place of Exhibit 2. However, I think it will be better for the record if Exhibit No. 2 remain as marked. Therefore Exhibit No. 2 will be received in evidence at this time.

(Exhibit No. 2, Witness Snead, received in evidence.)

Mr. SCHAFER. That is all the questions I have.

Chairman TERRIL. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. With respect to your comment about the overnight service between San Francisco and Los Angeles, do you know at what time

those schedules leave San Francisco south-bound to Los Angeles?

A. I have often seen them leaving around five or six o'clock in the evening.

Q. Is that the customary time of departure?

A. Apparently it is.

Q. Now, in connection with your so-called "hot shot" schedule from Seattle, which leaves Seattle at six p. m. and arrives at Oakland at three a. m., I assume those shipments would have to wait until the evening to get the overnight service to Los
992 Angeles?

A. I imagine they would.

Mr. SCHAFER. At this time I would like to call attention to the remark made by Counsel wherein he referred to this schedule as a so-called "hot-shot." The only persons who have called it a "hot-shot" schedule are the protestants. We did not call it a "hot-shot" schedule.

Mr. ELLIS. I thought that term originated with Mr. James, and we adopted it.

Mr. FARRENS. It did.

Chairman TERRIL. I can see no purpose in arguing it.

By Mr. ELLIS:

Q. Your schedule leaving Portland at eight o'clock a. m., and arriving at San Francisco 9:30 a. m., will require a full day's layover to connect with the overnight service to Los Angeles?

A. That is correct. The other schedule, though, that I did not finish, does leave Portland in the evening and arrives in Oakland at 9:30 p. m., at which time it would be possible to make connections.

Q. With a substantially later departure than the present departures for Los Angeles? Would that be necessary?

A. Yes.

Q. And the schedule which leaves Seattle at approximately 6:00 p. m., arriving in Oakland at 3:00 a. m.—that would have to wait until the following evening to make connection?

993 A. That is correct, as the schedules are now, as far as I know.

Q. The same situation would exist on shipments originating at Marshfield, leaving there approximately at noon and arriving at Oakland the following morning at 8:00 a. m.?

A. That is correct.

Q. It would have to remain at Oakland the entire afternoon before going south to Los Angeles? It would have to remain in 'Frisco?

A. Until that evening; yes.

Q. And substantially the same situation would exist on north-

bound shipments from Los Angeles, through San Francisco, into the North Coast points?

A. Yes.

Q. I take it that you are not proposing or suggesting in these schedules that there is any substantial improvement in the connections or the rapidity of handling business through San Francisco to points north or points south?

A. No; there wouldn't be any difference in the connections in San Francisco from those presently in operation. The only improvements would be after the shipment has passed San Francisco north-bound, or before they reach San Francisco south-bound.

Q. Have you made any study of the traffic to determine the relative volume of traffic north-bound from San Francisco as compared with that originating at Los Angeles and going
994 through San Francisco to Portland and Seattle and other North Coast points?

A. No; I have not.

Q. Isn't it a fact that a substantially greater volume of North Coast tonnage originates at Los Angeles than originates at the San Francisco Bay points?

A. I would assume so, but I don't know.

By Examiner KEPHART:

Q. Why do you assume so?

A. I would say a substantial portion, but I don't know that it would be any greater. Did I say "greater"?

Q. Yes; you said "greater."

A. A substantial portion, but not greater.

Q. You would not assume it was greater?

A. No; I would not assume it was greater; I don't know just what that portion is.

By Mr. ELLIS:

Q. Will you tell us why you are proposing schedules here that are a little slower than those you normally operate, when all the shippers have been led to believe that it was to be much faster than we have been operating in the past?

A. Mainly because of the fact we have not operated our equipment over these roads, and we don't have a background of experience upon which to base schedules. Naturally, after operating over these routes for a period of time, we will adjust our schedules to conform with the use of the highway.

995 Q. When did you make up the schedules you have given us this morning?

A. This last one here I made up last week. However, I did make up substantially the same schedule two or three months ago.

Mr. ELLIS. That is all I have.

Cross-examination by Mr. FARRENS:

Q. On Exhibit 2-A, page 29, you show second-morning delivery from Bend to Oakland. On what schedules are those deliveries accomplished?

A. That would be accomplished on the local schedule which operates from Bend to Klamath Falls, and the Oakland-Seattle, or the Spokane-Oakland schedule running south from Klamath Falls.

Q. And at a point north of Bend, but south of the Columbia River, on the Bend-Biggs route, what service would be given?

A. Service on that route would ordinarily require a very small amount of space, because there is very little traffic there; it would ordinarily be picked up by the north-bound truck from San Francisco to Spokane, which would take the shipment to Arlington, for transshipment to Portland, and from there to San Francisco.

Q. Is that the way you would handle it from Redmond to San Francisco?

A. The local truck from Bend to Klamath Falls, actually
996 out of Portland, through Madras, Redmond, Bend, to Klamath Falls.

Q. And when would a shipment leave Bend?

A. Early in the morning.

Q. About when?

A. 2:00 a. m.

Q. About when would it come to Klamath Falls?

A. About 7:30 or 8:00 a. m.

Q. There it would lay over until 12:30 p. m., at noon?

A. Yes.

Q. And if there was room, you would put it on the Seattle-Oakland equipment?

A. Yes.

Q. And if there was not room, it would take what other schedule?

A. If there was not room, it would take the schedule leaving Klamath Falls the next morning at 7:00 o'clock, arriving at Oakland 9:30 p. m.

Q. Then you have not necessarily given second-morning delivery, as indicated by page 29 of Exhibit 2?

A. It would be, if we had room for it; and that same thing applies every day in all parts of our business; if we have room, the schedule is made; and, sometimes, we don't. Generally speaking, notification is sent from the point at which it originates and room is left for it.

Q. If room is left for it, what do you do with the stuff
997 that you leave off the through schedule?

A. In this case, freight might be removed from the Seattle schedule at Portland and sent on the Portland-Bend schedule, or leaving on the schedule from Seattle which goes through Klamath Falls, so that it could take the freight originating in Bend as it passes through Klamath Falls.

Q. So far as intermediate points are concerned, then, this is the quickest possible service that you can give them, and not necessarily the service that they will get?

A. From a standpoint, it is the service they would get virtually all the time. There might be a few exceptions, possibly five or six a year, when they would not receive that service.

By Examiner KEPHART:

Q. Would you expect to improve the service as you became more familiar with the speed attainable on the highways?

A. Yes; of course we would.

By Mr. FARRENS:

Q. Page 6 of Exhibit 2-A shows stations like Burney, California, which is an intermediate point on the Alturas Route; and then over on page 23 there is a blank page, which states that it was intentionally left blank. That is conformation to your proposal not to give local service on the Alturas run?

Mr. SCHAFER. I will state, if I may, that that is the intention,
and that the towns that we already had printed in the index
998 were not taken out of the index, but there is no schedule shown for that in this exhibit. The points between Redding and Lakeview, you mean, do you not?

Mr. FARRENS. Yes. If the Board please, I don't wish by these few questions to be precluded from further examination of this witness. We have had offered to us, and I have taken pencil notes of these schedules, but, of course, we have had no opportunity to give them any examination or to compare mileages, or anything of that sort; and I wish to reserve cross-examination on that ground.

Mr. BROWN. Is Mr. Snead going to be available later on?

Mr. SCHAFER. We can call him tomorrow.

The WITNESS. I will be in Salt Lake City.

Mr. BEROL. I understand this case will be on tomorrow.

Mr. SCHAFER. Isn't that something that protestants could develop in their own case? What do you have in mind, Mr. Farrens?

Mr. FARRENS. This schedule matter is a practical matter, and I want to examine it to determine whether or not the schedule can be made; that may be something on which experts may dis-

agree, but I would like to have him develop it further, after a study of the schedules.

Mr. SCHAFER. What is the present state of the record? This witness says that these schedules are maximums, and the evidence from this expert is that undoubtedly these maximums will be lower. What more can you get from him? Do you want
999 to break it down on cross-examination?

Mr. FARRENS. Certainly.

Mr. SCHAFER. It seems to me that is something that protestants can put on in their own affirmative defense.

Mr. FARRENS. On that theory, you couldn't cross-examine anybody.

Mr. BROWN. The witness is available for cross-examination at this time.

Chairman TERRIL. That is correct. You may proceed.

Mr. FARRENS. Is it the Board's ruling that I will not be given the opportunity to examine the witness at a later date?

Chairman TERRIL. He is now available for examination.

Mr. FARRENS. I will ask the Board to remember that this type of schedule is not something to be thrust at us at the last date. If it had been put in in time so that we could have examined the schedule, that would have been different.

Exam. KEPHART. Why not go through with the examination, and after they are through with the other witnesses, continue with your cross-examination?

Mr. HICKSON. The trouble is that we have asked to have the schedules given us so that we would examine the witness on the schedules. And now, we have been given a brief schedule on the 101 route, which shows the time he leaves Oakland and when he arrives at Marshfield, with only one intermediate point,
1000 Eureka. I would like to know what the times of arrival and departure are at the various places, and what service is to be given at the intermediate points. I think it is unfair to force us to cross-examine until we have had an opportunity to examine these schedules.

Mr. SCHAFER. You can take him up the road, foot by foot, if you wish. We don't operate that kind of a schedule.

Chairman TERRIL. You have the witness here.

Cross-examination by Mr. HEDGES:

Q. Do I understand from the answers that you gave Counsel in giving the schedules, showing the times of arrival at the various points, that those are the only points on the main highway that the equipment will serve?

A. You—are you referring to exhibit 2–A?

Q. I am referring to the schedules which you gave.

A. No. The trucks stop at a number of other points.

Q. Now let us take the truck that starts at Oakland and goes to Seattle. If I remember correctly, when I asked you a week before last, you gave me five points in Oregon, Medford, Grants Pass, Roseburg, Eugene and Salem as five points in Oregon that the line-haul truck stops at or transfers freight, having the freight transshipped forward or backward to the points where the line-haul trucks do not serve; is that substantially correct?

A. That is substantially correct. Oakland to Seattle, it would not stop in Salem.

1001 Q. How would Salem be served?

A. Salem would be served by a local truck which runs between Portland and Eugene.

Q. What freight would be discharged at Eugene or discharged at Portland?

A. It would all be discharged at Eugene.

Q. What would be the point in California where the truck would stop?

A. That would depend on the amount of freight, and where it originated.

Q. In other words, you cannot give me a specific number of points like you can Oregon?

A. No; I could not. We probably might stop at three or four, and again, maybe not.

Q. What I was trying to get in mind, when you gave the figure of 2% of the entire tonnage, did you mean to convey the impression that all of the freight that was dropped at Medford, Grants Pass, Roseburg and Eugene to go to points other than those particular towns, only constituted 2% of the tonnage that came up on that schedule?

A. No. In that figure I was merely pointing out the amount of freight to points such as Wolfe Creek, Glendale, Oakland.

Q. You now tell me that Salem is not served directly, but served out of Eugene?

A. It would be served on some schedules, but indirectly

1002 on others. It would depend a great deal on the volume that particular day. Salem and Albany I did not consider in that figure.

Q. What I was trying to get in mind, what the 2% represented.

A. The two percent represents the small towns between Oakland and Roseburg, and between Roseburg and Grants Pass, for example.

Q. It would not include Albany and Salem?

A. No.

Mr. HEDGES. That is all I have.

Cross-examination by Mr. IVERS:

Q. Have you a comparable figure as to the percentage that would be represented by the freight that would originate at these small intermediate points south-bound?

A. No; I don't, but the volume is very small.

Q. Would it be smaller than this two percent?

A. Yes; I believe it would.

Mr. IVERS. That is all.

Cross-examination by Mr. HICKSON:

Q. From a practical operative standpoint, what is the practice of a trucking company when it serves intermediate points as to whether or not you stop at all those points to determine whether or not freight is available?

A. No; we do not. Ordinarily we have signals, either a flag or a small light, to indicate whether to stop.

1003 Q. Would that be on the main highway or at the terminal?

A. At small points we keep the terminals on the main highway. There are a very few exceptions to that on the entire system.

Q. Now, as I understand your testimony, so far as United States Highway No. 101 is concerned, operating over that route between Marshfield and San Francisco you will pick up and deliver freight at all points to deliver south of the Oregon State Line, interstate freight?

Mr. SCHAFER. Mr. James will take the stand, and he would be the best man to testify to that.

Mr. HICKSON. All right.

By Mr. HICKSON:

Q. You are the man who made up the schedules, are you not?

A. Yes.

Q. How could you make up a schedule over a route over which you have not operated, and undertake to serve all intermediate points and when you don't know what service is to be given to such points?

A. Will you make your question more clear, Mr. Hickson?

Q. How could you make up a schedule of running time, and arrive at the departure and arrival times over a route you have not operated, when you don't know what points are going to be served, and you don't know how it is to be operated?

A. To the best of my knowledge, the only stops we will
1004 make south of Marshfield will be to pick up freight destined to points in California; and I made the schedule on that basis.

Q. Oh, you did?

A. Yes.

Q. Then, if the shipper had some freight for delivery on that route, you would not deliver it?

A. If we had freight to be delivered at that point, naturally we would. That depends entirely upon the permit we have. It is my understanding, and I think Mr. James can testify to that where I cannot from my own knowledge, but it is my understanding that we can give better service to points south of Coquille by giving that freight to connecting carriers than we could by handling it ourselves.

Q. You are going to rely upon the present local carriers to give service to those points, in the main?

A. It is my understanding that we are.

Q. Now, your schedule that you made up over Highway 101—your running time is purely speculative, is it not?

A. I have made schedules over many routes that we have not operated over before the schedule was made, and I have missed it sometimes fifteen to twenty minutes; but I have never been off very much.

Q. As an expert on schedules, what can you say as to whether or not a loaded truck and trailer can make poorer time or better time than a passenger bus like the Greyhound, taking
1005 into account that the speed limit for one is 35 and for the other it is 45 miles an hour?

A. Generally speaking, our trucks will make about the same elapsed time, due to the fact that the bus stops at virtually every point, whereas, from a practical standpoint, the truck does not.

Q. What division points are you going to have on 101 south and north?

A. Those division points will have to be established in accordance with the Hours of Service Regulations, when we have run a truck or two over it. That depends on where there are adequate facilities; but, generally speaking, I think we will have three divisions between San Francisco and Marshfield. That would depend on the living quarters for the drivers, where they could get some sort of living quarters.

Q. It would not be practical to have two divisions?

A. I don't believe so.

Q. When you have division points, what is the practice? Does the truck drive in, and does the other driver immediately take it out?

A. We have two methods of handling it. If the schedule is running with regularity, the driver is up and waiting for the truck when it gets there. Otherwise, we have arrangements for a long distance call from a point 35 or forty miles
1006 distant, so that a man has time to get up and be ready for

the truck when it arrives. Usually it takes from eight to ten minutes to change drivers.

Q. How many meal stops will the drivers have from Marshfield to Oakland?

A. Three.

Q. How many minutes does the driver have to eat?

A. About thirty minutes.

Q. Are they allowed thirty minutes?

A. Yes.

Q. And when you made up your schedule, did you estimate the number of points you would stop at on 101?

A. Yes; I estimated that we would stop at probably seven or eight points.

Q. Aren't those seven or eight points the only points you would render service to south-bound?

A. South-bound?

Q. Yes.

A. You mean discharge or pick up freight?

Q. Either one.

A. We probably would stop at seven or eight points, although I don't think they would be the same points each way.

Q. How many stops would you make north-bound?

A. About the same number.

Q. About the same number between San Francisco and Marshfield?

1007 A. Yes; about the same number between San Francisco and Marshfield.

Q. I suppose you are going to leave to the local carriers the service to certain intermediate points; you will have them serve what is left; is that correct?

A. You will have to ask Mr. James.

Q. I am asking you that; is that the plan, you will leave the local carriers to serve those other points?

A. In many cases. I could give you examples. Take the Minneapolis to Fargo run. We serve the local points between Minneapolis and Fargo by giving all that freight to local carriers who operate local schedules between Minneapolis and Fargo.

Q. Suppose the local carrier can't continue to exist on what is left of the traffic; then what would that do to the schedule?

A. It would probably slow it up a little.

Q. It would slow it up considerably, wouldn't it?

A. That would depend on the volume to those small points.

Q. You would not be able to give the same "hot shot" service that you are proposing now?

A. I doubt very much if it would make an hour's difference.

Mr. HICKSON. That is all.

By Examiner KEPHART:

Q. If you have three or four shipments to a town like Eugene, do you make your own deliveries?

1008 A. In Eugene?

Q. Yes.

A. No; we don't.

Q. Take the Coast points, on the San Francisco to Marshfield route. Take Marshfield, for instance. Do you deliver there?

A. In Marshfield, we have our own.

Q. In Eureka?

A. In Eureka, we would have a local transfer make the deliveries.

Q. Is that your method in the various sizeable towns?

A. Yes.

Cross-examination by Mr. BEROL:

Q. Mr. Snead, on the schedule proposed to leave Oakland at eight p. m., arriving in Seattle at six a. m.; is that proposed to be a daily schedule?

A. Six days a week.

Q. Except Sundays and holidays?

A. Yes.

Q. That is in addition to the schedule that is proposed to leave Oakland at six p. m., destined for Portland?

A. Yes.

Q. Similarly, that schedule to Spokane is an additional schedule over and above the one between Oakland to Portland, is it not?

A. Yes.

1009 Q. Now, in connection with the Seattle schedule, will the amount of traffic that is moving to Seattle have any effect upon the movement of that daily schedule?

A. I don't believe so.

Q. How much minimum tonnage do you anticipate will be required in order to justify it being run as a daily schedule?

A. It would require seven tons at least.

Q. Suppose, as an operating problem, some nights you had only two tons destined from Seattle to Oakland, would you, as a matter of practice, ship it on a local schedule from Seattle to Portland?

A. As a matter of operating practice, it would move on a local schedule.

Q. Would that be the operating practice when you had less than seven tons?

A. It would depend on whether or not there was room on the local schedules, whether or not there was additional freight; there

are a number of things that might enter into it; those are problems that we work out from day to day.

Q. Then am I correct in assuming that the operation of a daily schedule directly through from Oakland to Seattle will depend upon having a sufficient amount of traffic available to justify it?

A. I think your assumption would be better if it was in reverse. We would be more likely not to operate the local
1010 truck, and put all the traffic on the through equipment, because we would want the through equipment in Seattle the following day to handle the south-bound tonnage.

Q. Now, respecting the tonnage from Oakland to Spokane, would you say that the method of handling that would be reasonably similar to the method of handling the schedule to Seattle?

A. No; it would not, because there are no local schedules with which it could combine, and it would have to operate daily.

Q. It would have to operate daily, irrespective of the amount of tonnage that was available to or from Spokane?

A. That is right.

Q. Have you made any investigation as to what tonnage is available to or from Spokane?

A. No; I have not.

Q. Did I understand you to say that the tonnage south-bound from Spokane to the San Francisco Bay points was very light?

A. Yes; it is.

Q. What do you mean by very light?

A. There are only a few shipments per day.

Q. What do those shipments average in weight?

A. Two or three hundred pounds.

Q. And probably the tonnage south-bound from Spokane to the San Francisco Bay area would be less than one thou-
1011 sand pounds a day?

A. Yes. That is why we have routed that truck to Portland, because there is a substantial tonnage to Portland, and that schedule will run to Portland, and then wait in Portland all day, and in the evening take a regular load from Portland to Klamath Falls. There is a lot of tonnage on that route. That truck would travel daily, regardless of the low tonnage from Spokane, directly to California points.

Q. The freight from Spokane would connect with the Portland-Oakland schedule?

A. That is correct.

Mr. BEROL. I think that is all.

Redirect examination by Mr. SCHAFER:

Q. In stating that you proposed schedules a little slower than

you operate in other parts of your system, do you mean that those schedules would be regarded as a regular operating schedule, to be adhered to, regardless of whether better time could be made?

A. No. You operate, generally speaking, to the best advantage on that particular day. We don't make any attempt to adhere to a schedule, in the sense that a passenger bus or passenger train does.

Q. Would you expect the schedules which you have named to be a maximum operating time, to be bettered, in most instances?

A. I believe most of the times can be bettered. I believe
1012 we can be expected to at least maintain those schedules. I think it can be done very easily.

Q. Now, north-bound from Oakland to the Oregon-California line, you don't expect to handle any freight; is that correct?

A. We don't expect to handle any intrastate freight in California, to the best of my knowledge.

Q. Your schedule contemplates only the stops necessary north of the Oregon line to Coquille?

A. Or pick-ups in California.

Q. Do you know of any volume of business moving from intermediate points such as Eureka to Coos Bay?

A. There probably is a small amount; I am reasonably sure it is not very much.

Mr. SCHAFER. That is all.

Re-cross-examination by Mr. FARRENS:

Q. May I inquire concerning one point; when you run your through schedule from Oakland to Spokane, and you don't run it back, in the reverse route, how are you going to get it back to Oakland?

A. Just what do you mean?

Q. If you come from Oakland to Spokane, you go through Arlington?

A. Yes.

Q. And you haven't enough freight to go back that way, and you take a local truck back to Portland?

1013 A. Also through Arlington.

Q. And then it comes to Portland?

A. Yes.

Q. How are you going to get the truck back to Oakland that came upfrom Oakland?

A. I testified in regard to that.

Examiner TERRIL. I understand what you are going to do with the truck.

The WITNESS. I testified as to the schedules that the truck will take.

By Mr. FARRENS:

Q. You haven't got a south-bound schedule with that truck?

Mr. SCHAFER. Go ahead and answer it again.

A. That truck lies in Portland from morning until evening; it goes out of Portland in the evening, arriving at Oakland at 9:30 p. m. the following day.

Q. That is an additional schedule south-bound on your Oakland-Portland schedule?

A. Although it actually acts as a local from Portland to Klamath Falls, in order to get the tonnage hauled; in order to get the tonnage to load, it waits in Portland until evening, and then goes down to Klamath Falls.

Q. Well, the preponderance of traffic is from Klamath Falls northbound, isn't it?

A. No; not in our operation. The preponderance of
1014 traffic is from Portland to Klamath Falls.

Q. Don't you haul a lot of such things as wool in large quantities from Klamath Falls to Portland, which more than balances the movement the otherway?

A. In season, we do, but we have never sent any empty equipment to Klamath Falls. Our Portland to Klamath Falls is greatly in excess of the movement from Klamath Falls to Portland.

Q. Presently, on the flow of traffic from Portland to San Francisco, which is the heavier movement?

A. There is a heavier movement north-bound at the present time.

Q. Is that normal throughout the year?

A. It has been, but with the development of some of the refrigerated products, the movement is becoming more and more balanced.

Q. As I understand it, you have at least one more truck south-bound between Portland and Oakland than you have north-bound?

A. That is impossible, or we would have more equipment at one end than the other. There is exactly the same number of schedules north-bound as south-bound. The only difference is, one of those schedules does local business between Portland and Klamath Falls. However, that does not slow up the through movement of
the freight from Spokane to San Francisco, as that connects
1015 with the Portland-Oakland run, when the freight arrives from Spokane, and is transferred.

Mr. FARRENS. That is all.

Mr. HICKSON. May I ask just one question?

Chairman TERRIL. We have been around the table twice now.

Mr. HICKSON. I have just a question.

Chairman TERRIL. Proceed.

Re-cross-examination by Mr. HICKSON:

Q. Mr. Snead, do I understand that when this service is put into effect, and you are granted a certificate, you would have three separate and distinct north-bound and south-bound schedules in and out of San Francisco daily?

A. Three coming up as far as the Oregon-Washington line.

Q. There would-be only one up 101 to Marshfield?

A. Yes.

Q. There would be one through Medford?

A. Yes.

Q. And two through Klamath Falls?

A. Yes.

Q. And you will have four daily schedules out of San Francisco?

A. Yes.

Mr. HICKSON. That is all.

1016 Re-cross-examination by Mr. IVERS:

Q. That truck which goes to Klamath Falls, then, is traveling empty from Klamath Falls to San Francisco?

A. Not necessarily. There is a movement from Klamath Falls to San Francisco.

Q. Is there more movement south-bound than north-bound?

A. I don't believe so.

Q. And you will have one piece of equipment moving north-bound and two south-bound?

A. No.

Q. One schedule going north will turn off at Klamath Falls and go to Spokane?

A. Yes.

Q. And then it will return through Portland?

A. And Klamath Falls.

Re-cross-examination by Mr. HICKSON:

Q. Is it your job to get the freight for the schedules?

A. No.

Redirect examination by Mr. SCHAFER:

Q. You will have two schedules from Oakland, through Klamath Falls; one to Seattle, and one to Spokane?

A. Yes.

Q. And two south-bound through Klamath Falls?

A. Yes.

Mr. SCHAFER. That is all.

1017 (Witness excused.)

Chairman TERRIL. We will take a short recess.

(Recess.)

Mr. SCHAFER. First, I would like to ask that Mr. Snead be excused. He has to go to work today, and then he has to be in Salt Lake City tomorrow. Apparently there is no objection to his being excused.

Mr. BROWN. I think he may be excused, if there is no objection.

Chairman TERRIL. Call your next witness.

Mr. SCHAFER. I will call Mr. James.

LELAND JAMES, previously sworn, testified as follows:

Direct examination by Mr. SCHAFER:

Q. You have been previously sworn, have you not?

A. Yes.

Q. And you have testified to your experience in the trucking business, generally?

A. Yes; I have.

Q. I believe you testified as to your familiarity with interchange arrangements between the Consolidated Freightways and the Oregon-Nevada-California Fast Freight?

A. Yes; that is true.

Q. Did you testify that you had made a constant effort
1018 to improve the situation, and that you had been unable to eliminate the difficulties that stood in the way?

A. I think there has been a mutual effort by both companies to improve the situation.

By Examiner KEPHART:

Q. Mr. James, may I ask you a question in that connection?

A. Certainly.

Q. If this application should be refused, and assuming the willingness on the part of the Oregon-Nevada-California Fast Freight Company, would your company use the utmost endeavor to speed up the connections between the two carriers?

A. We have tried to do that as much as we can do it.

Q. Would you make the utmost effort to cooperate in an effort to speed up the joint service?

A. We have endeavored to do just that, to give the shippers the very best service.

Q. And you would continue to do so?

A. Yes; we would.

By Mr. BROWN:

Q. Why haven't you been able to do it in the past?

A. There are about fourteen reasons, and it would take a long time to give them to you.

By Mr. SCHAFER:

Q. Suppose you begin, Mr. James. Will you give the reasons why you are unable to improve the situation?

1019 A. There are about fourteen inherent disadvantages of a joint service as compared with a through service. These natural disadvantages are, to my mind, too great to permit the continuation of a joint service between points where a large volume of business is handled. These disadvantages are not so apparent as long as the volume of through business remains small, but they loom exceedingly large when the volume of through business exceeds by several times the volume of the local business on which the joint service was originally established.

Originally, we had a service from Portland to Medford, and the Oregon-Nevada-California Fast Freight, or the Oregon-California, as it was then called, had a service from San Francisco to Medford, and a large part of our volume was local business, and the business that was interchanged was the smaller part. Now, the situation has reversed, and the interchange business is the larger part of the volume.

By Exam. KEPHART:

Q. How about the freight as to truckload quantities?

A. I couldn't tell you that accurately. The amount of truckload quantities is increasing. The truckload quantities are mostly south-bound. There are very few truckload quantities north-bound.

Q. Would you say that the delays are mostly inherent in the less-than-truckload shipments or in the truckload ship-

1020 ments?

A. You can't generalize. Delays might be caused because the other carrier did not have equipment for convenient handling.

Disadvantage No. 1 occurs in the billing of the shipments. In the case of a through service the shipments move on a single billing from point of origin to destination. In the case of a joint service the shipments are rebilled at the junction point. As the bills come in with the trucks, there is only a limited time in which to do this rebilling. When freight bills are copied errors creep in. It is especially true when the billing is done under pressure. We have attempted to minimize these difficulties in rebilling at Medford by airmailing ahead the bills on shipments from San Francisco so that these bills would arrive in Medford ahead of the trucks.

And that has worked as long as the air mail goes through; otherwise, it doesn't work.

The Oregon-Nevada-California Fast Freight also arranged for their San Francisco office to use a special set of bills on these ship-

ments. The first copies of these bills carried the Oregon-Nevada-California Fast Freight heading, while the latter copies, which were turned over to us at Medford, carried a Consolidated heading.

Mr. FARRENS. May we ask the witness to slow down so
1021 that we can understand what he is stating.

The WITNESS. All right.

This eliminated the necessity of rebilling shipments that originated in San Francisco destined to points beyond Medford. It did not, however, eliminate the necessity of rebilling shipments moving in the reverse direction or shipments originating at points other than San Francisco moving north-bound. Neither did it eliminate the necessity for us renumbering these bills at Medford so that they could be entered into our freight accounts and collection made and reported in an orderly manner. The best that we were able to accomplish was to eliminate the actual typing of a portion of the bills. We were not able to effect complete through billing arrangements because the accomplishment of this would require uniformity in our methods of billing and freight accounting, and inasmuch as the amount of business that was interchanged at Medford was not the majority of the business that was handled by either of the companies neither of them would change over their entire system for the sake of a more convenient way of handling this interline business.

The second disadvantage of a joint service arises from the rating of the bills and making necessary corrections in the rates.

The raters of one company were not familiar with the ge-
1022 ography of the operations of the other company, and this resulted in errors in the application of intermediate rates. It is difficult to correct errors in rates. In a single line service, if the delivering agent finds an error in the rate he issues a correction notice and sends a copy of it to the originating station and to the general office and, unless the general office refuses to accept the correction, these two offices correct their records, and thus the error is quickly disposed of. In case of a joint service, however, the delivering agent must send his correction notice to the junction agent and copy to the general office. The originating carrier's junction office then must duplicate the procedure for his company, and if both general offices agree that the correction is in order, the error is corrected. If they cannot agree, they correspond—and how they correspond. Errors in rates are caused by misdescriptions of the merchandise on the bill of lading, the application of wrong rates, errors in typing bills, and are, therefore, fairly frequent. If the consignee is paying the charges, he resists paying a wrong charge, even though the delivering carrier will assure him of proper refund.

The third disadvantage of a joint service arises from the difficul-

ties experienced in tracing astray shipments. If the delivering carrier receives bills and no freight or an incomplete ship-
1023 ment, he must get in touch with the junction agent to determine whether or not the shipment was loaded by his company at the junction point. If the junction agent determines that the shipment was loaded, then the intermediate stations can be checked. On the other hand, if his records show that the shipment was not loaded, he must contact the agent of the other carrier at the junction point and have him trace the originating station and his intermediate stations. This plan of tracing is too involved to permit the fast tracing of astray shipments.

The fourth disadvantage arises through the handling of the remittances for c. o. d. shipments. When only one line handles a c. o. d. shipment, the delivering agent reports the collection of the c. o. d. to the line's main office, who immediately checks the records and mails a check for the amount of the c. o. d. to the shipper. If the c. o. d. shipment is an interline shipment however, the check is mailed to the main offices of the other carrier, and the main office of the other carrier in turn checks his records before mailing his check to the shipper. This method of handling c. o. d.'s has proven highly unsatisfactory to our shippers. We have received numerous complaints, but we are not able to agree upon any better method of handling and neither company wished to change its entire method of handling c. o. d. remittances on account of the difficulty we were experiencing on this portion of its traffic.

1024 The fifth disadvantage of the joint service occurs in the settlement of those claims where there is a doubt as to whether the carrier should accept liability. In those situations the Claim Departments of the two companies must agree that there is liability, and the claim is not paid until they are in accord.

The sixth disadvantage of a joint service arises from the errors made in the acceptance of shipments. There was no established method of informing the employees of the carriers maintaining the joint service as to the points to which service may be rendered, the schedules operated to these points, and the type of equipment that is used to transport the shipments. Thus, it frequently happened that both carriers would be proffered shipments at Medford that they couldn't make satisfactory delivery on. These might be shipments destined to unusual points or shipments of unusual size or shipments requiring refrigeration but destined to points to which refrigerated equipment was not operated.

The seventh difficulty arises from the inability of joint carriers to quickly agree in the establishment of new rates. When a new rate is proposed both carriers must agree to the establishment of the new rate, and if it is a lowering in rates, must be satisfied

with its portion of the revenue. If either carrier disagrees, the rate cannot be put in. Thus, a joint service is handicapped
1025 by its inability to meet the rates inaugurated by a through carrier.

The eighth disadvantage of a joint service arises from the inability of the managements to get the cooperation between the employees of the two companies. The employee always feels that the complaints that he receives from his customers on the improper handling of interline freight were caused by the other carrier. He does not take the same interest in interline business that he does in the company's own local business. If there is only enough equipment to handle the local business, invariably the interline freight is delayed. In spite of everything the managements can do, it has been found almost impossible to get complete cooperation between the employees of the two companies.

The ninth disadvantage arises from the loading of through trailers. These through trailers are permitted a greater load between San Francisco and Medford than they can carry north of Medford. There, usually, part of the freight had to be unloaded at Medford. The freight would not be loaded in station order, making it necessary to unload and route the freight or carry intermediate freight through to the terminal point and send it back.

By Examiner KEPHART:

Q. And what is the maximum in Oregon and California?

A. 54,000 in Oregon, and 68,000 in California.

The tenth disadvantage through the maintenance of the
1026 through trailers. Each company operates a different type of trailer, and, therefore, is not equipped to repair the trailers of the other company. The drivers of one line are accustomed to handling the equipment of the other line and complain that the equipment of the other line does not perform properly.

The eleventh difficulty arises because the connecting service cannot give a consignee expecting a shipment the same information that the through line can give him of the movement of his shipment. If the operation between San Francisco and Spokane were a single-line operation, for instance, notice that a shipment was in transit would be air mailed to the agent at Spokane the day the shipment was received, and if the consignee called, the Spokane agent could immediately tell him whether or not the shipment had been received at San Francisco. In this respect a joint service is inferior to a through service.

The twelfth disadvantage occurs through the misrouting of shipments. Shipments are now received at San Francisco that are destined to other carriers at Medford. There are frequent instances where we would receive the bills on the shipment but the

other carrier would get the freight, and other instances where we would get the freight and they would receive the bills, and instances where we would receive both the freight and bills
1027 on shipments that the consignee had requested to move over another line. These mix-ups are continuously occurring, and cause considerable shipper dissatisfaction.

The thirteenth disadvantage is caused by the routing of equipment. It is necessary that each carrier have at the junction point enough equipment to promptly handle all the business tendered him by the other carrier, and he must base his judgment on how much equipment is required on the information that is furnished him by the other carrier. In an attempt to maintain an adequate supply of equipment at the junction point, both carriers must frequently deadhead equipment to or from the junction point. This increases costs. It results in a smaller load factor. It is only natural that both companies would endeavor to hold down the amount of deadheading, and when this is done the service suffers. When our company would fail to have enough equipment available at Medford to handle the through shipments, the through shipments have to lay over. In the same way, when the Oregon-Nevada-California Fast Freight fails to have enough equipment to handle the south-bound shipments from Medford, the shipments would be laid over, and again, as frequently happens, if the amount of freight from San Francisco to Medford and Klamath Falls was not of an amount to equal truck and trailer loads for both points, the truck is loaded for Klamath Falls and the trailer
1028 loaded for Medford, and the equipment is operated to Klamath Falls via Medford, which results in the late arrival of the freight at Klamath Falls and the delay of interline shipments to Bend, Burns, and Lakeview.

The fourteenth disadvantage comes through the actual rehandling of freight at the junction point. This rehandling results in shipments going astray or actually being damaged through the rehandling. The amount of freight that is transferred at the junction point has been somewhat reduced through the operation of through trailers, but the majority of freight must be rehandled. It is impractical to operate both truck and trailer all the way through because O. N. C. F. F.'s standard equipment is suited for operation in California but cannot be legally operated in Oregon.

Q. Now, Mr. James, mention has been made of the Freightways organization. Briefly explain the Freightways organization and what bearing, if any, it has on this application.

A. The Freightways organization is a voluntary nonprofit association of operators. One of the principal purposes of the organization is to eliminate many of the disadvantages inherent in

the handling of interline freight; as an independent agency, Freightways recommends to its members gradual changes in their respective methods of doing business so as to attain greater uniformity.

Membership in Freightways is by invitation and is
1029 strictly voluntary. A member may withdraw without suffering any penalty or forfeiture and under circumstances may be expelled.

O. N. C. F. F. was invited to become a member of Freightways. That was a step towards improving the interline service between northern California points and points in Oregon and Washington. The Freightways organization can only recommend changes to its members—the members have to be sold on the need for such changes. Therefore, action is necessarily slow. Freightways could not immediately overcome many of the handicaps in the joint service. This probably was apparent to Mr. Gritsch, and we cannot say that his judgment in deciding not to come into Freightways was not the best. There is no doubt that the granting of both our own and O. N. C. F. F. applications will result in a much better service to the public than could be rendered under any plan which Freightways would have been able to devise.

K. Have you any statements to make bearing on the practicability of the operations which your company is here proposing?

A. A careful survey convinces us that the improvement proposed will result in (1) a greatly improved service, (2) a large increase in traffc, (3) the utilization of better routes, (4)
1030 better load factors, which will make the operations more remunerative.

Much testimony has already been given on the substantial improvements the granting of this application will make in the existing services. I won't elaborate on that testimony. I will elaborate on point (2) by stating that the shipper response to our proposals has been tremendous. There has been a tremendous growth of the frozen-foods industry, and this industry must have satisfactory refrigerated transportation service. While in the past the north-bound business has exceeded the south-bound, we believe in the near future the reverse will be true. At the present time we are unable to meet the demand for refrigeration service, although we have been building refrigerated equipment at the rate of five or more per month.

As to point (3) we plan to handle the majority of the through business over an entirely new route. The majority of the business handled by the joint service is handled through Medford, Grants Pass, and Roseburg over Highway 99. With the completion of the Willamette Pass Highway a shorter and better commercial route has been established via Klamath Falls, Chemult,

Goshen, and Eugene. This new route eliminates some mileage and many grades and curves.

By Mr. BROWN:

Q. How many hours?

A. We can't tell until we actually get on. I can give you an estimate, but it will only be an estimate. I think it will
1031 cut off between two and three hours.

By Chairman TERRIL:

Q. How many miles shorter?

A. Only eight or nine miles on the Medford route, but the mileage on the Klamath Falls route is considerable.

By Examiner KEPHART:

Q. Wouldn't it be better to have Klamath Falls on the regular route rather than as an alternate route?

A. Yes. The through service should be from Klamath Falls. I notice the Oregon-Nevada-California Fast Freight amended their application accordingly.

As to point (4) we are convinced that the granting of this application will permit us to maintain a better load factor on the equipment operated south of Portland than we have previously been able to enjoy. The present joint operation requires us to frequently deadhead vehicles to Medford when the volume of the through business is greater than the combination of our local business to Medford and our through south-bound service.

Those vehicles would be deadheaded in from the nearest possible point, from Klamath Falls or Marshfield, or, in extreme cases, out of Portland.

In the same way, when the volume of through business is light, we find our local schedules returning empty. When we operate light to Medford, it usually means that O. N. C. F. F. will
1032 operate light from Medford to San Francisco, and when they are operating light north-bound, it usually means that we will return light from Medford. A much better load factor can be maintained when the vehicles are operated straight through to the heaviest loading points, using the smaller intermediate points as fill-out points or points to which the shorter local schedules will be operated. The greatest volume of business over these routes is between San Francisco and points north of Medford rather than between San Francisco and Medford, which is the present point of interchange. We have carefully planned the operation so as to obtain the very highest load factor, as this is the most important point to consider in establishing a remunerative operation. We have asked the right to serve over several routes. If the application is granted, we expect to integrate the whole operation and

take advantage of the flexibility that is inherent in truck operation. We will be able to move our equipment into position to load where the heaviest loads are available. Thus, we may have a very heavy north-bound loading from San Francisco over the Klamath Falls route and a light south-bound loading over this same route, but at the same time have available heavy south-bound loadings at points on the other two routes; for instance, Roseburg or Marshfield. The excess equipment that moved in over the Klamath Falls route then can be returned over the other routes and thus handle this traffic at an advantage. We have saved a good
1033 many daily miles by routing the equipment from San Francisco to Spokane via Klamath Falls, Bend, and the Sherman County Highway, but since our survey indicates that the movement from Spokane to San Francisco is light, we have returned this equipment from Spokane to Portland; then, from Portland to San Francisco. We expect good loadings from Spokane to Portland and good loadings from Portland to San Francisco. Thus, we have established a trianglar route with good loadings on all the legs of the triangle.

By Examiner KEPHART:

Q. This route being through Klamath Falls?

A. Yes.

If we are granted the extensions, which we ask here, we will not make any changes in the present local services between Portland, Klamath Falls, Medford, or Marshfield.

By Mr. SCHAFER:

Q. Between Portland, on the one hand, and Medford, Marshfield, or Roseburg, on the other hand?

A. That is correct. Except that in the case the through schedules are not fully loaded, we will use them to handle the local freight, and on those days cancel out the local schedules.

Having all of these conditions in mind, there is no doubt in my mind but what we will have a much better balanced movement if this application is granted than we now have.

By Examiner KEPHART:

1034 Q. Do you think there is enough traffic to sustain these two applications, as well as the Los Angeles-Seattle Motor Express and the Pierce Auto Freight Lines?

A. Yes. There is more than enough traffic. The amount of service that has previously been rendered between northern California points, particularly the Bay area and Washington and Oregon points, have been greatly reduced. I am particularly referring to the boat service, which has diverted a lot of service to the trucks and rails. In addition to that, there has been a steady

increase in the traffic, which apparently has grown from several years ago, when it was nothing, to the point where it is now very large.

Q. Do you think the Southern Pacific can live profitably with these other lines coming in?

A. I have no way of knowing.

Q. By Mr. SCHAFER:

Q. If the application is granted, will the Consolidated Freightways abide by the rules and regulations of the Interstate Commerce Commission?

A. We will.

By Mr. BROWN:

Q. Do you consider any of the fourteen points unsurmountable?

A. I can go through them and tell you how we tried to eliminate them, and then you can judge for yourself. We have had experiences in the Freightways organization, and we can give you the experience we have had at other points.

Q. Before you do that, are your relations with the con-
1035 necting carriers friendly?

A. You mean the relations between the two applicants in these cases?

Q. Or, at any point where you have had any of these difficulties.

A. The relations between the managements have been very friendly. We have had great difficulties in keeping the relationship between the employees friendly, because there is a tendency on the part of the employees of one organization not to cooperate to the fullest extent with the employees of the other.

Q. Why is that?

A. We have tried to overcome it, but there is some jealousy between the employees. We have tried to build up in our organization, an organization spirit, but we have not succeeded outstandingly, and there is still that jealousy between the employees that is not shared by the management.

Q. You mean between the employees of your own organization, or between your organization and the connecting carrier?

A. Between our organization and the connecting carrier. When you have a fairly large organization, the first problem is to get cooperation between the employees, where one agent will get rid of the traffic with the least possible work.

Q. It appeared to me that your first eight reasons were largely a matter of bookkeeping. Is that correct?

1036 A. No; I don't think so. The first difficulty or disadvantage is in the billing of shipments, which might be considered bookkeeping.

Q. I mean, making it a little broader than just "bookkeeping," but referring to it as office system or billing?

A. Yes; if you broaden it there, that is correct. The second disadvantage is the difficulty we have in educating the employees as to rates.

Q. Wouldn't you have a similar difficulty with your local business?

A. Yes; but you are in a position to provide that experience.

Q. Whose fault is it, yours, or the connecting carrier?

A. In order to get a competent rater at San Francisco, it is essential that the rater become familiar with the Northwest territory.

Q. Why shouldn't he become familiar?

A. He should.

Q. Why can't that be done?

A. He should come up and travel in that territory, or get a knowledge of that territory through actual experience with the territory itself.

By Examiner KEPHART:

Q. And by a study of the maps?

A. This not imaginary; this is a very real thing.

By Mr. BROWN:

Q. I don't imagine it is, but I am wondering if the difficulties cannot be overcome.

1037 A. I negelected to state in this particular organization how we attempted to overcome it. The Oregon-Nevada-California Fast Freight took one of our raters and put him into their crew, but that still did not solve the problem.

Q. You are going to have to educate your own raters when you go into the territory?

A. Yes.

Q. Why couldn't they be educated at both ends?

A. That is a question of costs, and a sharing of the costs.

Q. Maybe both companies could hire an efficiency expert?

A. Maybe both companies couldn't agree to that. The difficulty experienced in tracing astray shipments is a clerical one, that is true, but we have had no way of overcoming that, even among the Freightways members. It has been a case of tracing to the junction point, and the agent tracing from the junction point; there is no way of direct tracing.

Referring to the fourth disadvantage or difficulty, it might be arranged so that we could omit the collection and mail it directly to the shipper, with a copy to the main office of the connecting line, but it would mean that the check would come to the shipper

without the originating carrier having had a chance to check it for accuracy, which, to the present time, both of our companies have insisted upon.

The fifth disadvantage is not a matter of bookkeeping, it is a matter of office routing, for the two claims
1038 departments to get together and accept the liability on claims on which there is doubtful liability. And then there is the question, not only of the acceptance of the liability, but there is the question of the allocation of each carrier's liability, so that each carrier will pay his prorated amount.

By Mr. BROWN:

Q. You have interchange arrangements with other carriers?

A. Yes; many of them.

Q. Have you had some trouble with the other carriers?

A. Yes, substantial. The only difference is here, there is a tremendous amount of freight involved, and we have put up with difficulty in other cases because of the smaller volume of freight involved. The thing that makes it more difficult is the amount of business. Where the volume is smaller, you put up with it.

The sixth disadvantage is errors in acceptance of shipments, and the only way it can be overcome is by establishing a method of education, a method of educating the employees of one line about the services of the other company; that requires continuous care, on the part of one company to make its services continual; by that I mean, there is a tendency for one company to change the service without notifying the other company of the change. That is one of the things we try to do in the
1039 Freightways, through routing guides, to inform the employee accepting the shipment just what he can promise the shipper as to what might be done; and the only way we have been able to clear up that situation is through the routing guides, to show just exactly what the service is.

By Chairman TERRIL:

Q. In view of your long association with the Oregon-Nevada-California Fast Freight, don't your employees know what the service is that that line gives and vice versa? Haven't they been educated in that?

A. I think we have done a very poor job. However, it works both ways. It might be a shipment would fit into our vehicles which would not fit into theirs, and vice versa; or we might get a shipment at Medford, where we are unable to give the proper service, due to the lack of proper information on the part of the parties that accepted the freight.

By Mr. BROWN:

Q. Aren't you going to have the same difficulty if you run a through service to San Francisco?

A. No.

Q. You will, if you don't educate your own employees?

A. The single line does that. I understand the Oregon-Nevada-California Fast Freight does not have that difficulty on their own shipments; neither do we, because of the complete familiarity with the local service.

Q. Have these matters been improved by the formation of Freightways?

A. They have been improved slowly. We have been
1040 going about six months, and just this last month we have been able to agree upon a uniform bill. It looks like a small thing. And the objections that they have—we have now arrived at a uniform bill, and we have gotten our auditors together; we have arrived at uniform methods of freight accounting with some of the companies, which would enable us to eliminate the junction-point settlements, which has delayed settlement; but we have only been able to put it in at one or two points because other carriers have objected. It is a matter of long negotiations. The thing that defeats you is the unimportance of the interline business as compared with the importance of their local business; and in order to handle a small amount of interline traffic, it is difficult to get two companies to change over their whole operation.

Q. Have you had any difficulty in the allocation of the portions of through revenue?

A. Yes. The Freightways organization provides for an arbiter; when they sign the agreement, they agree to settle it through an arbiter if they can't settle it the usual way.

Q. Are you satisfied with the divisions existing between the two companies at the present time?

A. I think they are equitable. At one time we had difficulty in settling the divisions between Seattle and Medford where three
carriers were involved, and that hung fire for over a year,
1041 and our rates were out of line on that traffic; and we finally arrived at a working proportion of the mileage—we finally based the divisions both on mileage and the first-class local rate. Usually our divisions are predicated upon the local rates, but in this case we were not able to effect an agreement until after a lot of negotiating.

By Mr. BROWN:

Q. Now, Mr. James, as a businessman, do you consider any of the first eight points insurmountable?

A. Well, that is hard to say. I can enumerate them.

Q. I think you have made clear your reasons.

A. It is a big order.

Q. On your ninth point, I believe you stated you had some difficulty in interchanging your traffic at Medford?

A. Yes. The ninth reason was the difficulty that we ran into in the operation of our through trailers. Is that the one you had in mind?

Q. Yes; that is the one.

A. The disadvantage there is the fact that the through trailers are permitted a greater load through California than they are north of California.

Q. Aren't you going to have the same difficulty when you run straight through?

A. No; because we are going to use the minimum-size equipment.

Q. That is the type of equipment you operate in Oregon?

A. Yes.

1042 By Examiner KEPHART:

Q. Wouldn't it be satisfactory to the other company to haul it all the way to San Francisco? Does that present any difficulties?

A. Yes; that does present the difficulty; we have the question of standardizing the equipment. The trailers of one company are not entirely like the trailers of the other company. And then one company may have six-inch brakes and the other one seven-inch brakes, which requires an entirely different application.

Q. That is a difficulty of maintenance?

A. Maintenance and actual operation of the equipment. The trailer interchange has been proceeding now for several months. It is workable, but it is not by any means perfect. I get frequent complaints from our drivers about the equipment of the other company, and I am sure that the connecting line gets complaints on our equipment.

Q. If you continued, wouldn't there be a tendency to develop uniformity of equipment?

A. That is a big order. That is one of the things we are trying to do in the Freightways organization, and it requires that each company get together to standardize equipment. Truck operators are prima donnas; we each have our own ideas on what we think is proper equipment, and it is difficult to get the equipment standardized.

Mr. BEROL. Are you talking about all truck operators?

1043 The WITNESS. All that I have met.

By Mr. BROWN:

Q. I think you are right; but don't you think it is about time that they quit being prima donnas?

By Examiner KEPHART:

Q. The railroads have overcome it.

A. I don't know whether we will overcome it; it is an American heritage.

By Chairman TERRIL:

Q. How many years have you been interchanging freight with the Oregon-California?

A. How many years have we been interchanging with them?

Q. Yes.

A. I think we have been interchanging with them since 1931 or 1932; at the time their line was formed.

Q. Am I correct in stating that that is the greatest interchange point for freight on your system? In other words, you interchange more freight there than you do at any other point on the system?

A. That is right.

1044 By Mr. BROWN:

Q. If this application were granted, would it be your policy to seek an application to extend your service to other territories where you now have joint rates?

A. I don't think that would necessarily follow. I think you are probably thinking of the interchange at Elko and Salt Lake City.

Q. Apparently you are convinced that the problems you have outlined cannot be surmounted?

A. We think that where the volume of through freight exceeds the volume of local freight, that the only solution is a through operation.

We have given this question some study, and your question is a nice one. It will take a long time before we can operate power equipment straight through; operating trailers straight through does not half solve the problem. When you get into the operation of the power equipment, you get into the necessity for standardizing equipment; you are putting your driver on his equipment, and you are keeping it up. One of the difficulties, particularly, is in driving it. The requirements for driving one piece of equipment are not the same as for another. There may be many differences, such as, for instance, the brakes. The different sized brakes, and different types of brakes, need different application. Then, there are maintenance methods, repairing, and so forth.

There are many problems. The power equipment will have
1045 to be serviced before it is returned, naturally.

By Chairman TERRIL:

Q. Would you say, Mr. James, that you have used as much

effort to reconcile your difficulties in the operation between your company and the Oregon-Nevada as has been used by your company to overcome these same difficulties in connection with the Freightways operation?

A. We have tried harder, I believe. I am not saying that for our company alone; I am saying that both for ourselves and the Oregon-Nevada-California Fast Freight. In fact, one of the first interchanges of trailers, or the first arrangement, was put in by the Oregon-Nevada-California Fast Freight and ourselves; and that entailed an expenditure of $50,000.00; we agreed on that fairly quickly in the hopes it would help solve our problem.

Q. Do you think you have reached the limit of improvement that is possible in the interchange of freight and trailers, as the conditions now exist between the two companies?

A. No; we have not. There are other improvements possible, but I don't think in this case that they are practical. I think both companies will benefit by the granting of both applications, and that the shippers will also benefit.

Mr. BAROL. We are willing to so stipulate.

Chairman TERRIL. Is there anything further on direct?

Mr. SCHAFER. That is all.

—Cross-examination by Mr. ELLIS:

1046 Q. Mr. James, how long have you been trying, with the Oregon Cal, to eliminate the difficulties which you have enumerated?

A. I hope I have not given you the wrong impression. If a difficulty would arise at any period when we interchanged freight, we would try to eliminate the difficulty. So the whole effort that we have been engaged in, or the effort that we have been engaged in, has been during the whole time that we have been interchanging freight, which would be between eight or nine years.

Q. Did you and Mr. Gritsch arrive at a common understanding before you filed your application? Had you agreed that the situation was hopeless, and that it was impractical to eliminate the difficulties, and that the filing of the application was the only practical recourse?

A. We did not in so many words, as the result of any prearranged meeting. Prior to the filing of our application, I called on Mr. Gritsch in San Francisco and told him we had filed the application, and he said, "I guess the only thing I can do is to do the same thing," and we agreed that was the only thing to do.

Q. Mr. Gritsch didn't agree with you that the situation was hopeless, so far as working out interchange arrangements?

A. No; he never made that statement to me, that the situation was hopeless.

By Examiner KEPHART:

Q. You say he did?

1047 A. No; he did not.

By Mr. ELLIS:

Q. Referring to Freightways System, about which you have testified, I wonder if it would be acceptable, under the rules of the Association, for a company to accept the benefits of the Association without adopting the Freightways name?

A. Well, that was not a requirement; not in that way. They don't adopt the Freightways name; they use their own names, and instead of using the word "transport" or "motorline" they use the word "Freightways" after their name; and the thought was to simplify it as much as possible.

Q. Was that compulsory, as a part of the membership agreement of the Freightways System?

A. I can't answer that question. There is one member of the Freightways who, up to the present time, has not made the change; so I assume it is not compulsory. There is nothing compulsory in Freightways; it is purely a voluntary organization, all the way through.

Q. Is it permissible for a member of Freightways to withdraw without notice?

A. He must give ninety days' notice.

Q. That is the only restriction on withdrawal?

A. To the best of my knowledge, it is.

Q. A part of the disadvantage in the interchange of equipment, according to your testimony, arises from the differences in the laws of Oregon and California as to weight and sizes;

1048 as to the restrictions contained within the laws of the two states?

A. Yes.

Q. Is it true that you anticipate the probability of uniformity after our next Oregon Legislature meets, or that you have strong hopes?

A. We have very strong hopes of that.

Mr. BEROL. Could we get Mr. Farrens to stipulate on that?

Mr. FARRENS. That he has strong hopes, I will stipulate.

Chairman TERRIL. Are you stipulating as to the hopes?

Mr. BEROL. It will probably be over Mr. Farrens' dead body.

By Mr. ELLIS:

Q. Isn't it true that the Oregon State Highway Association has gone on record recommending uniformity?

Mr. BROWN. By increasing the Oregon maximum, or asking California to reduce its maximum?

A. By adopting a uniform system, which was agreed upon at the Highway Meeting at Reno, for the eleven Western States.

By Mr. BEROL:

Q. Isn't it likewise true, Mr. James, that there has been a session of the Oregon Legislature since the meeting which you mentioned, without any results being accomplished in Oregon?

A. That is right, and I regret to say it.

By Mr. SCHAFER:

1049 Q. I might ask, before we leave that point, have you had strong hopes before?

A. Hopes spring eternal.

By Mr. ELLIS:

Q. I assume you have made no traffic survey or compiled any traffic statistics as a basis for your statement of hoped for tonnage?

A. No; we have not any set figures put down on paper. We have caused to be made numerous calls.

Mr. ELLIS. At this time, I would like to make a demand on the applicant to furnish for this record before it is closed the data showing the traffic interchanges between the Consolidated Freightways and the Oregon-Nevada-California Fast Freight at Medford, during a representative period. I would like to suggest the period of the year, 1939, to show the volume interchanged at both Medford and Klamath Falls, broken down in accordance with the schedules that they now propose to operate.

Mr. SCHAFER. The volume is already in the evidence. It was broken down to a certain extent. The testimony was that there was 20,000 pounds a day destined to Spokane, and I think there is testimony in the record that presently the volume out of Coos Bay is quite substantial—I forget how definite it was. It is going to impose considerable cost upon us to detail it much finer than it has been.

The WITNESS. May I say a word?

1050 Mr. SCHAFER. Go ahead.

The WITNESS. May I suggest that you get it closer than 1939.

Mr. ELLIS. I suggested 1939 because I thought perhaps your 1940 records were incomplete.

Exam. KEPHART. How about the first six months of 1940?

Mr. ELLIS. I would be happy to have it in the record.

The WITNESS. I think the first six months of 1940 would be better.

By Mr. ELLIS:

Q. Is it available to the end of June 30th? If so, I think we should have it.

Mr. SCHAFER. I am afraid to throw my hat in the accounting department now.

Mr. ELLIS. You have an application between the Northwest Terminals and the California points, and I think the best guide as to what tonnage may be expected is the actual records of the carriers, who are handling the business. We have two or three shotgun figures thrown in the record, but that is not as satisfactory, with no indication of how much is north-bound, and how much is south-bound. I think the Board should have those facts, and I think the applicant should furnish the information.

Exam. KEPHART. Does anyone recall for what period these figures were produced?

Mr. SCHAFER. The figure given was 110,000 pounds per day.

1051 Mr. BROWN. It seems to me this is rather an important matter; and if it is not complete, I think it should be complete.

Examiner KEPHART. The volume in both directions.

Mr. FARRENS. I want to join in Mr. Ellis' demand. I want to point out, in that connection, the importance of the segregation of this interchange traffic, so that it will apply directly to the proposed schedules.

Examiner KEPHART. What do you mean by the proposed schedules?

Mr. FARRENS. I mean this: Whether the interchange of traffic which has occurred in the past six months or a year will indicate the feasibility of operating daily, except Sundays and holidays, the four schedules which are proposed to be originated at the San Francisco Bay Area daily and the four schedules which are proposed to be returned daily. You can't tell, when you take only the interchange at Medford and Klamath Falls, whether it is going to Spokane, to Portland only, or points north of Portland, or between Portland and Seattle. I would like to see the segregation of the traffic, to indicate what traffic will be available for each of the schedules, in each direction.

Mr. ELLIS. That was my request.

Mr. BROWN. The record should indicate whether it goes to Portland or intermediate territory, to Spokane or intermediate

1052 territory, or to Seattle and the intermediate territory, or to Klamath Falls.

Mr. SCHAFER. We will undertake, to the best of our ability, to furnish a break-down which will satisfy the demands of counsel. However, this simply has to be borne in mind, that it is not capable of exact segregation in every instance. We have never operated over 101 to Marshfield, and we can't tell what moves.

Mr. BROWN. You can tell what traffic is interchanged, originates, or is destined to the Coos Bay territory.

Mr. SCHAFER. Moreover, there are other factors. The Pierce Auto Freight Lines recently started daily operations, within the last few weeks, and there is an increased interchange that someone is going to have to take at Medford, and we suppose it is going to be us. That was not in the picture when this interchange estimate was made. We will do the best we can. Furthermore, with 24 hours' faster service, to many of these points, that should increase the traffic substantially.

Examiner KEPHART. That is a factor to be taken into consideration, whether there would be induced traffic as a result of the faster service.

Mr. BROWN. I think the present volume of traffic at Medford should be broken down into four divisions.

1053 Mr. BROWN. It should be segregated as to north-bound and south-bound tonnage.

Mr. SCHAFER. That has been done.

Mr. BROWN. Apparently there is a seasonal movement, and probably six months would not be representative.

Mr. SCHAFER. A year would be.

Mr. BROWN. Possibly a year, starting June 1939, and ending in June 1940.

The WITNESS. I think it can be done.

Mr. BEROL. I wonder if that could not be done for the year 1939 as was originally suggested by counsel. We have a selfish reason for asking that. I anticipated that similar demands would be made upon us when our case came up for further hearing, and, anticipating those demands, we have, prior to the commencement of the proceedings, prepared figures.

Mr. BROWN. I presume this will be a joint venture?

Mr. BEROL. Not necessarily.

Mr. SCHAFER. If counsel has those figures for the year 1939, maybe we can use them in our case, and save the necessity of digging them out.

Mr. BEROL. I don't have them broken down into schedules. I was not familiar with the so-called "hot-shot" schedules; we merely broke them down from California into the Northwest.

1054 Mr. BROWN. It will probably be necessary for you to revise your figures.

Mr. BEROL. Yes; and I would like not to have to do that, because we have spent a lot of time in getting the figures that we have.

Chairman TERRIL. Suppose we go off the record?

(Discussion off the record.)

Chairman TERRIL. It will be understood that you will furnish the figures for the year preceding the end of June 1940; that is, from June 1939 to June 1940.

By Mr. ELLIS:

Q. When you were on the witness stand previously, I asked for a little further break-down of Exhibit Eight. That was the balance sheet, as you will recall. Are those figures available now, or are you planning to furnish those later?

A. I didn't get any additional figures from the auditing department.

Q. I still have a request of record for the break-down of certain items, under the heading of "liabilities," "deferred payment contracts," and "mortgage notes payable," and "equipment."

Mr. BEROL. I wonder if Mr. Ellis would talk a little louder for the benefit of us older men.

Mr. ELLIS. I merely stated to the witness that I had a request of record for the break-down of certain accounts, or
1055 certain figures, under the heading of "deferred liability items," "mortgage notes payable—equipment," "mortgage notes payable—loans to buildings"; and my request was to indicate what proportion of those were due and payable within one year, from the date of the statement.

A. I didn't get that information.

Mr. SCHAFER. I might indicate, he was not instructed by the Board.

Mr. ELLIS. He offered to furnish it at the time, and I refrained from further cross-examination on the subject. I didn't think it was necessary to be ordered to do so.

Mr. SCHAFER. It was probably my oversight. The witness testified we kept those accounts in conformity with the Interstate Commerce Commission's rules of accounting practise, and I assumed that would enable you to place the items you have in mind.

Mr. ELLIS. No; it does not. I was interested in knowing which of those liabilities were current liabilities as distinguished from long-term liabilities.

Mr. BROWN. Can't that be supplied?

Mr. SCHAFER. I think so.

Mr. BROWN. How long would it take you to do that?

Mr. SCHAFER. May we go off the record?

Chairman TERRIL. Off the record.

(Discussion off the record.)

1056 Chairman TERRIL. Let the record show it will be furnished at Frisco.

Mr. ELLIS. I have some uncertainties with regard to Exhibit

Eight. Under "assets," the item "inventory, parts, gas, oil, and tires," can you tell us what proportions, if any, of these tires are in use on equipment?

Examiner. KEPHART. You mean, Mr. Ellis, whether the remainder would be in stock? Or just what do you mean?

By Mr. ELLIS:

Q. Were any of these actually on equipment and in use?

A. No; no tires in use would be inventoried and put up in the inventory as "tires."

Q. With reference to the item "earned surplus," the last item before the total, can you tell us what provision has been made, in arriving at that item, for any income tax expense? Has any income tax been allowed for in that figure?

A. You mean, have we set up any reserve for income taxes for the earnings for the first five months of 1940? Is that what you mean?

Q. Yes. That is reflected in this statement?

A. No; because the amount of income tax would be uncertain for that period, and we have not set up any accrued income tax for the year 1940. 1939, the previous year, of course,
1057 has been taken care of.

Q. What would you say as to depreciation? Has depreciation for the early part of this year been taken out?

A. Yes.

Q. And all appropriate charges, so far as depreciation is concerned, are reflected in this "earned surplus" figure?

A. Yes.

Mr. ELLIS. That is all I have.

Chairman TERRIL. We will adjourn until 2:00 o'clock this afternoon.

(12:30 p. m. hearing adjourned to 2:00 p. m.)

AFTER RECESS—2:00 P. M.

Chairman TERRIL. Let us be in order, gentlemen. I believe you were cross-examining the witness, Mr. Ellis. You may continue.

Mr. ELLIS. I had concluded.

Chairman TERRIL. All right, Mr. Farrens.

Cross-examination by Mr. FARRENS:

Q. Mr. James, you named three of the purposes of the organization known as Freightways: one, that the members agreed upon uniform bills of lading; two, that a uniform method of freight accounting has been established; three, that you are developing, or attempting to develop, standardized equipment. Were there any

other purposes that have been designated or worked for by Freightways?

1058 A. Yes; there are.

Q. Would you mind stating what they are?

A. A uniform method of remitting c. o. d. collections: uniform method of handling claims: unified and simplified method of routing shipments. I have already mentioned the plan that was being used and put into operation between the employees, between the member lines. That is all I can think of now. There may be others.

Q. Then, so far as the Freightways Organization is concerned, it has directed its attention to only six of the fourteen objections which you raised to the joint services?

A. I didn't check them up.

Q. Well, I counted six. You named three previously in my cross examination, and you have named three since. There are six of the same matters which you mentioned as difficulties to be overcome in the joint service rendered by your company and the Oregon-Nevada-California Fast Freight.

A. I think that is a fair statement. I didn't attempt to name everything. I didn't attempt to include everything that Freightways was working for, either presently or in the future. I think it is a safe statement that Freightways will endeavor to work out as many difficulties in the joint service, as they possibly can, through voluntary agreements.

1059 Q. Now, I understood you to say that the Freightways' plans were rather difficult to carry out because, in many instances, the through traffic is light as compared with the local traffic. Is that correct?

A. That is correct. The member's large business up until the time they became members of Freightways, has been a local business, and the members have occupied themselves more or less in their natural territory, and the interline business has come after that.

Q. And the removal of these objections is made more difficult where the local business far exceeds the interline business?

A. No. The removal of the difficulty is largely dependent upon the attitude of the management, and the ability of the carriers to put into effect the ideas that are conveyed to them by the Freightways Organization.

Q. If I understood you correctly, you gave us to understand that the Oregon-Nevada-California Fast Freight and your company have been trying their best to overcome the difficulties.

A. If you leave out the word "best," we have tried.

Q. Do you think there has been a sincere effort to surmount and to overcome those difficulties?

A. Yes.

Q. What more do you think could have been done, if the Oregon-Nevada-California Fast Freight had joined the
1060 Freightways Organization?

A. What more do I think could have been done?

Q. Yes.

A. It is my private judgment that more could have been done; I think it is Mr. Gritsch's judgment that more could not have been done.

Q. What, in your private judgment, would have been the additional things that would have resulted from the entry of the Oregon-Nevada-California Fast Freight into the organization known as Freightways?

A. Up to the present time, there would have been very little accomplished, but the necessary threshing-out period would have been commenced and we would have gone quite a ways. One of the principal functions of the Freightways Organization is to get these managers into a meeting where they can thresh out these problems, where they will be exposed not only to meeting connecting carriers' objections, or finding out their methods, but also get reviews of the several carriers; and that results in a more or less softening up of their attitude.

Q. Do you feel that you and Mr. Gritsch have not met frequently enough on such matters?

A. Yes; I do. It has been convenient meetings, necessarily. There have been no prearranged monthly or regular meetings.

Q. Do you feel that if the application of this company and the application of the Oregon-Nevada-California Fast
1061 Freight were denied, that you and Mr. Gritsch could find it convenient to get together more in the future?

A. I couldn't say as to that; that is conjectural.

By Exam. KEPHART:

Q. Whose fault was it that you didn't get together?

A. It was mutual.

Q. You say it was mutual?

A. Yes.

Q. Why is that?

A. If the shipper's complaint was directed towards our company, he would call us up; and if the shipper's complaint came into our company, and I thought it was their fault, I would call up Mr. Gritsch and we would have a meeting.

Q. Did you wait until complaints were filed?

A. We didn't do a great deal to anticipate.

Q. Did you feel at the time that the service was not satisfactory?

A. We knew it was unsatisfactory.

Q. Why didn't you get together and iron out these things?

A. Just that it was not possible.

Q. Whose fault was it?

A. It would not be either man's fault: it would be a difference of opinion as to how it should be ironed out, and no agreement as to how it should be done. Each man's stand was reasonable when considered from the particular man's point
1062 of view.

Q. And yet you both knew that the joint service was unsatisfactory?

A. We both knew that the joint service was unsatisfactory. Our shippers told us that.

By Mr. FARRENS:

Q. There seems to be some question as to whether or not the bylaws of Freightways required each member to use "Freightways" in its corporate name. Is there anything secret about Freightways?

A. Not at all; they are on file.

Q. Would you have any objection to furnishing a copy at this hearing?

A. Not at all.

Mr. FARRENS. Would counsel agree to that?

Mr. SCHAFER. Do you have a copy made up?

The WITNESS. Yes.

Mr. SCHAFER. We are agreeable, if it is decided by counsel what is wanted.

Mr. FARRENS. A copy of the bylaws.

Chairman TERRIL. They may be useful.

By Mr. FARRENS:

Q. In answer to an inquiry directed to you by the Board, I understood you to indicate that, in your opinion, whenever a truck line finds that its interchange business at an inter-
1063 change point, exceeds its local business, then an extension of its service is justified, or justifiable, rather? Is that correct?

A. That is right.

Q. And if, for example, a company operating between Portland and Seattle, connecting with your line or any other line to points south, finds that the business to be interchanged at Portland exceeds the business delivered to or originating at Portland, then you think it is entitled to an extension on south to San Francisco?

A. I don't think that was the only consideration, but I would say it would be a fine indication that through service was required. I can go on and explain that, if you wish.

Q. Go ahead.

A. In a freight operation, it is plain common sense, that when you have full loads, going to the farthest destination, that is the way you build up your load factor.

Q. Now, I understand you are limiting your previous statement so that you wish to be understood that the extension would be justified in the event that the through loads interchanged exceed in the aggregate, the local business?

A. Of course, that was the conclusion based upon the fact that the through service that was being rendered would be rendered on the basis of local service on which it was originally instituted, which is the case between San Francisco and Portland.

1064 Originally the Oregon-Nevada-California Fast Freight had a local service to Medford, and we had a local service from Portland to Medford; and those two local services were joined into a through service; and the operation of two locals is not a proper service when the volume of through freight is large enough to justify a through movement.

Q. Am I justified in inferring from the testimony which you have given today, that you concede that there is just as much justification for the extension of the Oregon-Nevada-California application as there is for your extension?

A. I think you can make that as an inference. I think, if it goes beyond that, it is up to each company to show the need for the service that they are proposing; in this situation here I would say there is a great need for additional through service.

Q. The need is just as great with respect to the service performed by the Oregon-Nevada-California Fast Freight as it is with respect to your company?

A. The need is for additional through service.

Q. Are you personally of the opinion that the need is for two additional through services?

A. In my opinion, I am convinced that there is need for two additional services.

By Examiner KEPHART:

Q. How much of the joint business do you think that your line would get in case both applications were granted?

1065 A. Oh, I don't know. I would think we would get about half of it; but that is just a conjecture on my part. In deciding to place this application on file, I was not impressed so much by the proportion of the busines we would get as by the shipper demands for additional service. Every shipper that we have approached has been enthusiastic about the need for this additional service; and practically all of them have said that their businesses were growing, and that they were getting more stuff from the south, and shipping more stuff to the south; and then we

had the actual demonstration when we put through the trailer exchange. We put that on to take care of the existing business, but it did not work out that way. At the present time, we can't furnish equipment for the traffic.

By Mr. BROWN:

Q. Do you believe, if both applications were granted—do you think there would be additional business?

A. I believe the through service would create additional business.

Q. Where will it come from?

A. It will probably be diverted from the slower transportation.

Q. And where is that slower transportation?

A. From the rails, in particular, and from the Express Company, which is a fast one, or——

Q. Do you believe there will be any new markets for the products of Oregon and California by reason of the faster service?

A. Yes; there will be some increased selling of Oregon
1066 products in California; especially the frozen fruits and vegetables.

Q. Wouldn't the frozen fruits move anyway, whether the service was expedited or not?

A. No; I don't believe it would. We had some witnesses here in the first hearing who testified that their markets would be increased, and that the sale of their products would be increased.

Q. Was that because of the question of service or the question of rates?

A. The question of service.

Q. Entirely?

A. Well, rates always play some part; but it was principally the question of service.

Q. Frozen fruits move under refrigeration, do they not?

A. Yes. They move under a peculiar type of refrigeration; we have to hold the temperatures below zero in order to get them to the market in the best shape.

By Mr. FARRENS:

Q. You mentioned the expected diversion of this business from the rails and the Express. So far as the rails are concerned, this business that you have been discussing has largely been diverted from the slower truck lines to the present operations?

A. What do you mean?

Q. The greater proportion of it has been diverted already, hasn't it?

1067 A. I think that is conjectural. Practically every witness said that his business was growing, and that he was getting

more and more each month. Of course, if the rails were the only transportation agency, the rails would get it.

Q. The truck service is faster than the rail service between the points that have been considered here in this hearing?

A. Yes; much faster.

Q. And the business that could be diverted from the rails has already been diverted by faster transportation?

A. With better handling, I think there will be more business.

Q. And when you increase the speed of your operations, you are not going to divert any business which turns on the question of speed in transportation; that question has already been settled, hasn't it? In other words, the rails have already lost it to the truck lines?

A. Not by any means; the field has scarcely been explored.

Q. Can you remember when the Pacific Truck Express had a 24-hour service, or approximately a 24-hour service, between San Francisco and Portland?

A. I have heard that the Pacific Truck Express did have a 24-hour service; I havent any actual knowledge of it, however.

Q. They abandoned it later and put on a slower schedule?

A. I don't know anything about that, Mr. Farrens.

Mr. FARRENS. That is all.

1068 Cross-examination by Mr. IVERS:

Q. Is it your intention that your equipment will operate within the speed limits permitted by law?

A. You mean within the arbitrary maximum limits that are set by law at all times?

Q. Yes; the number of miles per hour that the equipment is permitted to operate?

Mr. BROWN. I would like to know the purpose of that question.

Mr. IVERS. I just want to know whether the schedules are constructed on that principle.

Mr. SCHAFER. We had a man on the stand who constructed these schedules, and he was examined and cross-examined.

Mr. IVERS. I know, but here is the president of the company, who is mainly responsible for the application, based upon the speed of the service.

Mr. BROWN. I think we have a right to assume that any schedule has to be operated in compliance with the laws of the State within which it operates and according to the laws of the Federal Government.

By Mr. IVERS:

Q. You mentioned some kind of a maximum; what did you mean by that?

A. I don't remember.

Q. You just characterized it.

A. Oh, I was referring to the maximum limitation in miles per hour that is fixed upon the operation of the vehicles by
1069 the laws of the two states.

Q. Did I understand you to say that this interchange started to operate in 1931?

A. I did state that, I believe; I did not check myself on the accuracy of that; I may be off one way or the other for two or three years; it has been quite a long while.

Q. It has been going on at least eight years?

A. Yes; at least eight years.

Mr. BEROL. We will stipulate the year 1929 as being correct.

By Mr. IVERS:

Q. At the time this started, Mr. James, was the interchange in large quantities or small quantities?

A. Small quantities.

Q. At that time, what was the relationship between the local business and the interchange business?

A. As far as our company was concerned, the local business was very much greater.

Q. When was it that the interchange business became greater than the local business?

A. The most pronounced growth has been quite recent.

Q. What do you mean by quite recent?

A. Within the last year and a half or two years.

Q. Well, can you answer the question I originally asked you; when did the volume of interchange freight exceed the volume of the local freight?

A. There is no way of establishing that.

1070 Q. Can you give it approximately? You may know about when it happened?

A. Oh, if you want it just roughly, I would say about a year and a half ago.

Q. Then, up to a year and a half ago, had these difficulties which you characterized as being the fourteen insurmountable obstacles, or difficulties—had they come into existence yet?

A. Oh, yes; they were existent from the very beginning.

Q. And then their existence does not depend upon whether the interchange volume exceeds or is less than the local volume?

A. No; the difficulties are there just the same; when the volume increases, they become much greater.

Q. Then, is it your testimony, that these fourteen reasons that you gave are characteristic of every interchange?

A. Yes, that is true.

By Mr. BROWN:

Q. What caused the increase in the traffic in the last year and a half?

A. One of the big factors, I believe, was the decrease in the service given by the water carrier; the second factor was the tendency to buy more in the California markets.

Q. Is the preponderant movement north-bound or south-bound?

A. The preponderant movement is north-bound, but the south-bound is rapidly catching up.

Q. What is the proportion now?

A. The last check I made showed about 55 to 45, or 9 to 11.

1071 By Mr. IVERS:

Q. One of the difficulties which you indicated was the question of difference in the Oregon and California laws. You have the same difficulty between Washington and Oregon laws, do you not?

A. Yes.

Q. The load limits in Washington being the same as those in California?

A. Not exactly the same.

Q. Approximately?

A. Approximately.

Q. And in the operation of your own lines, in the through operations between Washington points and Oregon points, you would have the same adjustments of equipment on your own line as you would have on the through operations between the Oregon-Nevada-California Fast Freight and yourselves at Medford?

A. We have, on occasions; on occasions we have had to run the Oregon equipment straight through; we have complete reciprocity on the license plates, and we have run equipment straight through.

Q. Isn't it a fact that you operate trailers through that are legal in California, Oregon, and Washington?

A. Yes; the equipment is legal, but it can be loaded with different weights.

Q. But you load the trailer so it can go straight through?

A. You mean, we load it at Medford so that it will go

1072 straight through?

Q. At any point of the line on this interchange operation.

A. I believe there have been occasions that we have.

Q. Isn't that a practise that you follow in the operation of your own line?

A. On our own line, the practice is to load the equipment to the maximum and use the lighter equipment all the way through.

Q. In the operation of your own lines, do you unload a part of the trailer load in Oregon?

A. No; we do not. We go to a considerable expense in taking equipment through from Seattle to Idaho, going through a corner of Oregon. We operate over that line only the small equipment that can be used in all the three states, so as to get away from the loading and unloading.

Q. A trailer that has a maximum load of 34,000 pounds, could be loaded in Washington, go through Oregon, and be delivered in California without violating any load limit laws of any of the states?

A. It is not done that way. If it is hooked up with a truck that is loaded to 20,000 pounds, you would have an unsafe piece of equipment on the highway.

Q. As a matter of fact, do you do it?

A. I hope not.

Q. Do you or do you not?

A. No; I don't believe so.

Q. Do you or do you not know?

1073 A. I don't believe we do.

Mr. IVERS. With the permission of the Board, I want to ask a question. I was speaking a few moments ago about the speed limits imposed by law; and I am informed that, in my absence, another witness who was previously on the stand, made the statement that the limitations of speed were not being enforced, and that therefore the schedules were not constructed on the principle of complying strictly with the law—whether he stated this or not, or whether it was an inference, I don't know. That is what I am informed.

Mr. FARRENS. I think it is in the record. Mr. Snead testified to that.

Chairman TERRIL. I haven't any recollection of any such testimony.

Mr. FARRENS. Everybody on this side of the table remembers it.

Chairman TERRIL. There is one thing certain, and that is that they cannot operate legally in excess of the limits prescribed by law.

By Mr. IVERS:

Q. Is it the policy of the Consolidated Freightways, or would it be their policy, to construct proposed schedules which would involve necessarily the violation of the speed laws in order to perform those schedules?

A. I don't know whether that question was discussed as a matter of policy. I don't know that that has been discussed.

Q. Well, that is not the question. You are the manager,
1074 as I understand it, and certainly the interpreter of the policy of the company; and I would like to know if it is the policy of the company to construct schedules on paper in order to involve a necessary violation?

A. I think you have a misconception of these schedules. These schedules were constructed from the basis of what we are doing over similar routes. They were constructed in the light of our experience.

Q. Can you answer the question yes or no?

Mr. BEROL. Just a minute. I am going to object to the question on the ground that it assumes facts in evidence that are not in evidence. The question apparently presupposes these schedules, as presented by Mr. Snead, were based upon a speed which, of necessity, would have to violate the speed laws of the several states. There isn't anything in the record to indicate that.

Mr. SCHAFER. I wish to object further, that this witness has already testified that he expected to obtain greater speed or a shorter elapsed running time because of greater speed on the hills and better brakes. I don't know whether this witness testified to it, or Mr. Snead. There isn't any testimony that the speed will violate the laws of the various states.

Mr. IVERS. I think the question can be answered yes or no.

Chairman TERRIL. There is an objection pending.

Mr. BEROL. I would like to have a ruling on it.

1075 Chairman TERRIL. The witness may answer.

The WITNESS. Just what was the question.

(The question read as follows: "Well, that is not the question. You are the manager, as I understand it, and certainly the interpreter of the policy of the company; and I would like to know if it is the policy of the company to construct schedules on paper in order to involve a necessary violation?

A. No; I can't answer

Mr. IVERS. That was not the last question. There was a subsequent question.

(The question read as follows. "Can you answer that question yes or no?")

The WITNESS. I just said that I could not.

Mr. BEROL. I take it that the only question pending before the witness was whether he could answer the question yes or no.

Chairman TERRIL. That seems to be right.

Mr. BERIL. Well, I will withdraw my objection.

Mr. IVERS. I haven't heard an answer to my question.

Chairman TERRIL. He answered it. He said he couldn't answer it "yes" or "no?"

By Mr. IVERS:

Q. Why can't you, Mr. James?

Mr. BEROL. Well, I am wondering if Counsel and the witness are talking about the same thing.

The WITNESS. The question assumes that the company has
1076 adopted a form of policy of constructing schedules.

Mr. BEROL. That is exactly the point. That is why I suggested that they were not talking about the same thing. Counsel asked the witness a question, and the question was read to the witness, and the witness is answering a different question. The only question pending before the witness was whether or not he could answer the previous question yes or no. The witness immediately begins to answer the previous question and does not answer the last question, which would be merely a reply to counsel's query as to whether he could answer the previous question yes or no.

Mr. IVERS. I don't think there is any such misunderstanding.

By Chairman TERRIL:

Q. Do you understand the question of counsel?

A. I think I do.

By Mr. IVERS:

Q. My present question is, why can't you answer the previous question?

A. Because we have no policy. The question of such a policy has not even come up for discussion, nor is it a question of policy in the company whatsoever.

Q. In other words, this executive committee that you described as being the managerial-executives of the company, have not had that question presented to them, so that they have not taken a position on it?

1077 A. They have not.

Q. And in the absence of the executive committee to determine that, there would be no policy?

A. There would be no policy, and the operating man would go ahead and do what was customary.

Q. And who is the operating man?

A. Mr. Snead.

Q. Is that the Mr. Snead that testified here?

A. That is right.

Q. So that whatever he testified to would be the present policy of the company until he was overruled by the executive committee?

A. It would not be the policy of the company; it would be what the company is actually doing; and Mr. Snead stated that he built

these schedules upon the experience of our operation in other territory, and possibly he took into consideration the experience of operators in the same territory.

Mr. IVERS. That is all.

Cross-examination by Mr. HICKSON:

Q. Your company operates at the present time in how many states? Eight, isn't it?

A. I counted up seven. Did I leave one out?

Q. I count eight.

A. Eight; you are right.

1078 Q. I assume that in those eight states you have innumerable places where the Consolidated have connections with connecting carriers for traffic beyond?

A. We have many places; not innumerable.

Q. For example, you have a connecting carrier that operates between Seattle and Bellingham?

A. That is right.

Q. And you also have one over to Hoquiam from Seattle?

A. I don't know just where that connection is made.

Q. You have a connecting carrier from Portland to Astoria?

A. I don't know whether that is a connecting line service.

Q. It is shown on your map in green lines?

A. All right.

Q. From Portland over to Tillamook?

A. I would rather you would ask those questions of Mr. Leibold. if you are coming down to the particular connecting line service.

Q. I would rather ask you, because you have testified about the matter I want to inquire about. To shorten it up, you operate as far east as Minneapolis and St. Paul?

A. Yes.

Q. And you operate out of San Francisco through Wells, Nevada?

A. Yes.

Q. You told Mr. Ivers, as I understand, that you experienced these difficulties, these fourteen points, with all interchange

1079 connections, and that those objections to interchange were characteristic at all interchange points?

A. Those characteristics are present at all interchange points; that is right.

Q. Do you have an operator operating between Seattle and Bellingham, who is a member of Consolidated Freightways, for example?

A. No.

Q. How about from Minneapolis down to Chicago?

A. No.

Q. There is no member there?
A. No.
Q. How about from Wells, Nevada, over to Salt Lake?
A. That is from Elko to Salt Lake.
Q. From Elko to Salt Lake?
A. Yes.
Q. How about from Elko to Salt Lake?
A. That is just what I said; that is Freightways.
Q. How about from Twin Falls, Idaho, to Salt Lake?
A. That is a Freightways member.
Q. Now, Mr. James, let us assume that these connecting carriers do not choose to join the Freightways, and let us assume that those who have also joined, at some later date decided to resign and get out of the picture; you would then be confronted
1080 with the fourteen points, or the fourteen objections in all cases?
A. If the Freightways Organization is not eliminated?
Q. If you had a Freightways carrier who had joined the Freightways Organization, who decided to withdraw; then you would be confronted with the difficulties, with the fourteen points, would you not?
A. Are you assuming that the Freightways Organization had ironed out the fourteen difficulties; if so, then that is true.
Q. You would be back to where you were before?
A. Yes.
Q. What I am getting at: is it your contention, in all the instances where you have all these fourteen difficulties that you are contending now, that that is a justification for the Consolidated to extend their routes over the lines of your connecting carriers?
A. Not the whole justification.
Q. What would be the other justification?
A. The biggest justification would be the volume of business moving through.
Q. And the other reason would be the shipper's testimony?
A. In this application it means a divergence of routes; a faster route has been opened up, which they desire to be able to take advantage of.
Q. Is it your testimony that, in every case, where there is a sufficient volume of traffic, that in all those instances you
1081 would be justified in projecting your operations into their territory?
A. Where the difficulties in the through service have not been ironed out, the shippers are going to demand a better service.
Q. That is not a difficult thing to get, I assume; a shipper who is very well satisfied will come in and advocate a faster schedule and

service in all instances, won't he? That is a very simple thing to get, shipper witnesses?

A. I can't testify on how simple it is to get them.

Q. It is not a very difficult matter to get the shippers to come in and testify?

A. The shippers will come——

Mr. SCHAFER. We will stipulate we had no difficulty in getting the witnesses to come in. We turned hundreds of them away.

Mr. HICKSON. I understand.

By Mr. HICKSON:

Q. Let us assume that the Commission gives you a certificate into San Francisco, then you will be confronted, as I understand it, at San Francisco with a connecting carrier who operates to Los Angeles. Will you not expect to have the same trouble there that you have at Medford? Won't you expect to have the same trouble, to some extent?

A. That might be true if we hauled a large volume of business out of Los Angeles to northwestern points; although most of that would move over the shorter route, through Sacramento.

1082 And then we have a different condition out of Los Angeles; there are many more operating from Los Angeles to northwest points than from San Francisco.

Q. There are?

A. Yes.

Q. It would not be difficult to get shippers to come here and testify?

A. Well, there are many more through carriers operating from Los Angeles.

Mr. BEROL. I suggested to counsel and the witness that you can get practically anything in Los Angeles.

By Mr. HICKSON:

Q. Take another angle, Mr. James. You are now operating from San Francisco to Elko, Nevada, and you connect at Elko, Nevada, with a carrier operating into Salt Lake?

A. Yes.

Q. Is that a carrier a member of Freightways?

A. Yes.

Q. Let us assume that he didn't like the Freightways any longer. Then, as you testified, you would be back where you started. Would you consider that as a basis for extending your operation into Salt Lake in order to get the shippers between San Francisco and Salt Lake a through service?

A. If there was sufficient service between San Francisco and Salt Lake City, and if we were confronted with as large a

1083 volume through that interchange, then I think that the

shippers would demand that we render the service. However, the situation there is not a parallel with the situation between San Francisco and the northwest points. That is an entirely different situation than exists at Medford.

Q. All right. Let us take another angle; let us take the situation from Portland east to Twin Falls. At Twin Falls you exchange with the Garrett Company at Twin Falls?

A. That is right. We interchange with Garrett. He is a member of Freightways.

Q. If he should not be any longer a member, then you would be confronted with the same situation as at Medford?

A. Yes.

Q. Would you advocate that that would be a justification of the Consolidated Freightways extending their service into Salt Lake in order to give the shippers a through service?

A. Under the same situation as exists between northwestern points and San Francisco.

Q. Let us carry it a little further. Suppose that you convinced the Commission, under the testimony of the shippers and your fourteen points, that it was a good thing for the public, and you got into Salt Lake; then you would be confronted with the same situation between Salt Lake City and Denver? You would have a connecting carrier to Denver?

A. Yes.

Mr. SCHAFER. I think counsel has established his theory.

1084 Mr. HICKSON. If you will concede that you could carry the principle throughout the whole United States, I will cease my further cross-examination.

Chairman TERRIL. I think the Board understands what Mr. James' point is.

Mr. HICKSON. I want something in the record that I can write a brief on. I want to show what this will do, if projected out to other portions of the country.

Mr. BROWN. I think you can write a pretty good brief on what you have now.

Mr. HICKSON. On what is in there now?

Mr. BROWN. Yes.

Mr. HICKSON. If the Board feels that way——

The WITNESS. You understand, that I didn't say that the same situation exists at Salt Lake City and Twin Falls.

By Mr. HICKSON:

Q. I will admit that, but the theory is just the same. I understand that Mr. Snead said that he was only going to serve a few selected points between Marshfield and San Francisco. Would that same theory prevail if you projected your service into the other carriers' territory?

Mr. SCHAFER. Mr. Snead said that he anticipated that the average schedule would require six or seven stops. He said those places would not be the same each day. North-bound,
1085 obviously the first points served would be in Oregon. There are only about five points north of the Oregon State line that are south of Coquille.

Mr. HICKSON. You would pick up at Eureka; pick up at dozens of points for delivery into Oregon?

Mr. SCHAFER. There is nothing in the record——

Chairman TERRIL. Suppose you reframe your question.

Mr. HICKSON. I don't think it needs any reframing. I am trying to get at the point, if a carrier like the Consolidated puts on a through service, obviously they can't give "hot-shot" service and serve all intermediate points; and when they serve the intermediate points they are back to the slow service of connecting carriers.

Mr. SCHAFER. I think it is in the record that the applicant is proposing to serve all intermediate points in Interstate Commerce between San Francisco and Coquille.

Chairman TERRIL. There seems to be some question as to what is to be done on 101.

By Mr. BROWN:

Q. When Mr. Snead was on the stand, he said that Mr. James could answer the questions. Can you tell us, Mr. James?

A. I think I can.

By Mr. HICKSON:

Q. Let us assume your truck starts out at Marshfield tomorrow afternoon, and you are headed south to San Francisco.
1086 What service will you give south of Marshfield to points in Oregon, if any?

A. On freight originating at Marshfield?

Q. Or coming from the north to Marshfield?

Mr. BROWN. Has the Consolidated any Interstate Certificate to serve any territory between Marshfield and the Oregon-California State line?

Mr. HICKSON. No; but there will be traffic picked up, interstate, south of Marshfield for California.

Mr. BROWN. All right.

By Mr. HICKSON:

Q. What I want to know is, what are you going to do at the intermediate points?

A. This is what we are going to do: on any shipment turned over to our line in Oregon destined to another Oregon point south of Marshfield on highway 101, whether it is intrastate or interstate, we wouldn't handle it.

Q. Then there will be no service to such points as Gold Beach, Port Orford, Langlois, or Bandon?

A. That is not true. There will be a very fine service.

Q. By whom?

A. By the combination of our line and the Central Transfer.

Q. In other words, you will serve those points by turning over your freight at Coquille to the local carriers?

A. Yes.

Q. Would you be willing that your certificate be limited to such an extent that you can't serve those points?

A. Yes.

1087 Q. What would you do if you got a shipment of wool south of Coquille, destined for California? Would you accept it?

A. Originating in Oregon and destined to California?

Q. You will pick up at any point south of Marshfield and north of the State line for transit to points south of the State line?

A. That is right.

Q. Including San Francisco?

A. Yes.

Q. On the north-bound movement, you will pick up at any point on United States highway 101 south of the Oregon-California line destined to a point north of the line?

A. Yes.

Q. You will pick up at San Francisco or at any point north of San Francisco but south of the State line and deliver that to any point south of Marshfield but north of the State line?

A. That would be traffic moving between a point in California and a point in Oregon?

Q. Yes.

A. Yes.

Q. But you will not pick up traffic at San Francisco or any point north of San Francisco, south of the state line, and deliver to any point on highway 101 south of the state line?

A. That would be traffic moving between two points in California?

Q. Yes; but interstate.

1088 A. That is right.

Q. You would not give any service on that?

A. No. It is impractical. It is impractical for an operating crew to distinguish between intrastate and interstate shipments, and we do not want to have them faced with that difficulty.

Q. I agree with you.

A. It is difficult enough for anyone to determine sometimes whether service is intrastate or interstate.

Q. If a shipper in San Francisco were to ask you to make a shipment from San Francisco to Crescent City, you would not take it?

A. That is right; we would not take it.

Q. Assuming you put on a through service between Marshfield and San Francisco, and you took enough traffic away from the local carriers who are now giving that service, a combination service, so that they could not continue in existence, who do you suppose would be able to give that service to the intermediate points?

A. I don't think that any such thing will happen.

Q. Now, there is another point that I want to clear up. Marshfield to San Francisco, as I understand it, is about 535 miles over United States highway 101?

A. I don't know. Mr. Snead testified about that, I think.

Q. I thought he said you would be the one to testify to that?

A. No; I would testify as to the service. Mr. Snead would testify as to the schedules.

1089 Mr. BEROL. 537 miles.

By Mr. HICKSON:

Q. When a driver leaves Marshfield at 12:00 o'clock noon, how long will he drive before he needs a rest?

A. I think Mr. Snead testified as to that.

Q. You don't remember the rules on that?

A. I think he can ride ten hours.

Mr. SCHAFER. Mr. Snead testified that in no case would they violate the hours of service regulations.

Mr. HICKSON. I don't care about that. I just want to see how they divide up the schedules.

Mr. SCHAFER. He said the ywould have three divisions; three division points.

By Mr. HICKSON:

Q. You don't know where the division points would be?

A. No; I don't know where the division points would be. He had the division points set up in the original set-up, and those would be subjected to change.

Q. At Medford, is it or is it not a fact that some of the delays which occur at Medford, where you interchange cargo with the Oregon-Nevada-California Fast Freight, is due to the fact that your drivers have to lay over there for a rest period?

A. I think some of that is due to the fact that the operations there are based somewhat on local service; if we would have a through service, we would make different driver arrangements. That is one of the natural disadvantages of combining two services—two local services—into a through service.

1090 Q. You think that one of the delays there at the present time is due to that factor?

A. That is one of them.

Q. One other question, Mr. James: you testified this morning concerning operations through Klamath Falls and up to Chemult, and over to Goshen. I wonder if you could tell the Examiner how much time you would save on that? Could you tell the Examiner how much time you could save on that until you had operated over that route for some period?

A. I could not state exactly what the saving would be.

Q. In other words, you could not tell what your operating time would be?

A. That is correct; you can tell within an hour, but you cannot tell it much closer.

Q. You don't entirely agree with Mr. Snead, who stated that he can drive over a highway, look over it as he drives, and hit it within fifteen minutes of what the schedule would be, or within fifteen minutes of what a truck could make it?

A. Mr. Hickson, we have made an analysis of all the schedules on all the different types of highways; we are making as good a schedule as that on all the highways, with one exception. They are all similar, except that one. That one exception is a very bad grade out of San Francisco to Reno; otherwise our average speed averages out quite well.

Q. You will admit that on the Coast Highway you will be
1091 subjected to more fog conditions?

A. Yes; but there are more curves on the Columbia River Highway.

Q. You wouldn't say there are more curves on the Columbia River Highway?

A. Well, just about the same; I don't think the fog would be a great hindrance.

Q. Have you been over the Coast Highway between Marshfield and San Francisco?

A. Yes.

Q. Will you agree with me that there are places on that highway where a truck and trailer cannot pass a car, or a car cannot pass a truck and trailer, without one of them stopping?

Mr. SCHAFER. May I ask counsel how long it has been since he was over the highway?

Mr. HICKSON. Within two or three weeks.

By Mr. HICKSON:

Q. Are there places on the highway where a truck and trailer can't pass a car?

A. The trucks and trailers are all eight feet wide.

Q. Aren't there places where a little truck and trailer couldn't pass a private car without stopping?

A. As I stated, the trucks and trailers are all eight feet wide, and no wider.

By Chairman TERRIL:

Q. Can you answer the question?

A. No.

1092 Mr. HICKSON. I think that is all.

Cross-examination by Mr. BEROL:

Q. Do I understand correctly from your answer to a question of Mr. Hickson's, that you do not propose to handle any traffic between points in California, where you both pick up and deliver the traffic within the state?

A. That is correct.

Q. In other words, as between San Francisco Bay points and such points as Redding, Red Bluff, Yreka, you don't propose to handle any freight?

A. That is correct.

Mr. BEROL. That is all.

Redirect examination by Mr. SCHAFER:

Q. Can you state from your own knowledge, whether or not California is becoming increasingly important as a wholesale and manufacturing center?

A. You mean San Francisco, California?

Q. Yes; particularly San Francisco and the Bay Region.

A. Apparently it is. I might say that, from the investigation we have made, the service, or the traffic, has been increasing both ways. The Oregon manufacturers are shipping more down south as well. For instance, there is an Oregon manufacturer in Bend who is developing a California market. The California manufacturers seem to be developing Oregon markets.

Q. Has there been a material increase in traffic both ways?

1093 A. Yes.

Q. Where would you say the swing would be from?

A. There has been an increase in consumption; the population of the two areas has grown very much.

Q. Do you know whether or not there has been a swing from any points in California in manufacturing and wholesaling?

Mr. HICKSON. I will object to that as not the best evidence.

Chairman TERRIL. I think he may answer the question.

A. In some lines, there is quite an increase that I happen to know of; there is the fabrication of aluminum parts; that has increased the north-bound traffic. In the distribution of frozen fruits and vegetables, there is increasing movement south-bound.

However, there are other things; there is an increased manufacture in California of tires, and automobiles—quite a substantial tire plant in Oakland.

By Mr. SCHAFER:

Q. Are those branches of eastern factories?

A. The one in Oakland is not; it is an idependent factory; that is manufacturing for the order of those factories. There is an increase in the manufacturing of vulcanized equipment in California.

Q. Where were all these items formerly manufactured?

A. In the East.

Q. Now, there has been some discussion as to what would happen if a member of Freightways should resign from Freightways. By the way, has any member resigned from Freightways?

A. Yes.

1094 Q. What happened?

A. He came back in.

Q. How do you account for that?

A. He wanted to see if the door would swing both ways.

Q. He voluntarily came back without any pressure?

A. Yes.

Q. Assuming that Freightways has effected numerous improvements in interline problems, does that necessarily follow——

A. Does what necessarily follow?

Q. Does it necessarily follow that if some of the members resign, all of the improvements should be cast overboard?

Mr. BEROL. That is immaterial.

Mr. SCHAFER. I want to straighten it out on the record. If you desire to argue——

Mr. BEROL (interposing). No; I made the objection. I don't want to argue.

Chairman TERRIL. I don't think the Board is interested in argument.

By Mr. SCHAFER:

Q. How do you account for the joint service in the face of the fourteen difficulties you have enumerated?

A. There has been a lack of competitive through service from the Bay Region to Oregon points. While there is a few truck carriers, through carriers, that have served San Francisco, they have served it as an intermediate point, and only for the handling of large shipments, and those carriers have main-

1095 tained a rather limited service. They have not given the service to the points in Oregon and Washington that our joint service gives.

Mr. HEDGES. I am going to object to any further testimony on

the grounds that Mr. James answered my question two weeks ago stating that he was not familiar with the competitive situation that existed there; and now he comes in today with full knowledge.

The WITNESS. I can sum it up without too much detail. The joint service, as it presently exists, is about the only service that gives a complete coverage.

Mr. HEDGES. My objection still stands.

Mr. IVERS. I move that his testimony be stricken, on the same grounds.

Chairman TERRIL. The witness is still here. You can cross examine him on the same question, if you see fit. The objection is overruled.

By Mr. SCHAFER:

Q. You stated that you were satisfied with the present division of through rates. Do your complaints on the divisions go to the divisions themselves, or to the delay in agreeing on divisions?

A. My complaint in this operation goes to the delay in arriving at—to the delay in deciding whether or not a new rate is to be instituted. To the best of my knowledge, we have never had any serious difficulty on division of revenue, and we agreed readily.

1096 Re-cross-examination by Mr. IVERS:

Q. What other through carrier service is there between San Francisco and Portland, and San Francisco and Seattle by motor carrier?

A. You mean on any size shipments?

Q. Yes.

A. I don't think there is any.

Q. And your testimony is that there has been a growth in the joint service. You also testified that the growth of the joint service was because of the fact, according to your assumption, that there was no through service.

A. There may be some sleepers that possess certificates, but so far as going in after business, or telling people they have any service, they are not very active. There is no worth while terminal in San Francisco soliciting through shipments to Seattle.

Q. Will you give me the names of those concerns which you call sleepers?

A. Well, your clients, the Los Angeles Seattle Motor Express, is one of them; the Pacific Coast Refrigerated Service; the Cascade Fast Freight.

Q. Do you know the extent of any of those certificates?

A. From a practical standpoint, I know what they are actually doing.

Q. Who else?
A. In Seattle?
Q. Yes.
1097 A. That is about all I can think of.
Q. All right, to Portland, or from Portland?
Mr. BEROL. May I interrupt without disturbing your train of thought?
Mr. IVERS. I haven't any train of thought.

By Mr. BEROL:

Q. You are not suggesting that the Los Angeles Seattle Motor Express, by any cover of authority, or otherwise, has a right to serve San Francisco?
A. I think they are contending they have a right; and other carriers are contending that they don't have the right. In the meantime, they are giving limited service on shipments over a given size.

By Mr. IVERS:

Q. Will you continue answering my question as to the service that you know of between San Francisco and Portland.
A. Between San Francisco and Portland?
Q. Yes.
A. The Pacific Truck Express; and, recently, the Pierce Auto Lines; Mitchell Brothers; and then there are other carriers that have served Seattle, and their service into Portland is quite limited. They are not a factor.
Mr. IVERS. And that is all?
The WITNESS. That is all.
Mr. IVERS. That is all the questions I have.

1098 Re-cross-examination by Mr. HEDGES:

Q. In that list of carriers that you named as serving Seattle out of Frisco, including the sleepers, does that include the Cascade Fast Freight?
A. Yes; I think that could be called a sleeper.
Q. That includes the Cascade Fast Freight?
A. Yes.
Q. If it were shown to be a fact that the Cascade Fast Freight does not, and has not at any time served anywhere above Portland, would that be an indication of the knowledge that you have of your competitors?
A. The Cascade Fast Freight?
Q. Will you answer my question?
A. I was just going to tell you about it. The Cascade Fast Freight is primarily a Los Angeles to Portland carrier.
Q. Are you basing your opinion that there will be additional

traffic from competing or slower carriers on the fact that there are going to be fewer carriers in the business after the grandfather rights are finally determined?

A. No; I am not at all. Between San Francisco and the northwestern points, there has been only one worth while service available, and that has been the joint service between the Consolidated Freightways and the Oregon-Nevada-California Fast Freight. The Pacific Truck has been giving service, but they have been going through a sale; and, in the first place, their equipment
1099 was not adapted to that operation; and the more freight they got, the more money they lost. Between San Francisco and the northwestern points, that has been the best service available.

Mr. HEDGES. That is all.

Re-cross-examination by Mr. IVERS:

Q. Did you testify that the Los Angeles Seattle Motor Express was serving San Francisco with only limited loads?

A. That is my understanding.

Q. What is the limitation that you understand?

A. I don't know just what the limitation is, but you had it in the record up there at Seattle.

Mr. FARRENS. I move to srtike that portion of the testimony regarding the Pacific Truck Express, as to what he imagined their earnings were, as speculative.

Mr. SCHAFER. I will resist it. You can ask him what he means.

Mr. FARRENS. Let us have a ruling?

Mr. BEROL. It seems to me the witness was asked what the competition was, and the character of the competition, and the witness gave us his understanding of the competitive conditions in this territory. It is directly responsive to the question. If there is any misunderstanding by counsel, or counsel is not quite clear on it, he has the opportunity to bring it out. Also, if the information stated by the witness is incorrect, counsel has opportunity to bring in better evidence in his possession.

1100 By Chairman TERRIL:

Q. Have you ever seen the accounts of the Pacific Truck Express?

A. Yes.

Q. Have you seen the red ink on the books?

A. Yes, I have seen the red on the books.

Mr. FARRENS. The witness went to the point where he imagined their losses.

Chairman TERRIL. Any imagination that the witness may have had, may be stricken; the rest of it may stand.

By Mr. SCHAFER:

Q. Do you know of your own knowledge whether the operation was profitable or unprofitable?

Mr. FARRENS. I will object to that as not the best evidence.

Mr. BROWN. I don't think it is material at all.

Mr. SCHAFER. That is all.

(Witness excused.)

Mr. HICKSON. I have a witness who has to leave for his home in another half an hour. I would like to call him now. He will be a very short witness, and then he can be on his way.

Mr. SCHAFER. That is our case.

1112 Chairman TERRIL. We will take a short recess at this time.

(Recess.)

Mr. BROWN. The Joint Board is in session.

Mr. ELLIS. I have several shipper witnesses whose testimony will be equally as applicable in the two cases; and I have discussed with Mr. Berol, and at his suggestion, with the idea of saving time, I would like to have the testimony of these witnesses be considered in both cases, and considered in the records of both cases.

Mr. BEROL. I am entirely willing to stipulate. It seems to me it would be a saving of time, and save the necessity of

1113 bringing the witnesses back. I take it, in connection with that stipulation, that I am permitted to cross examine these witnesses as though they were testifying in connection with the application of the Oregon-Nevada-California Fast Freight.

Mr. ELLIS. That is agreeable.

1114 P. J. HANNS was sworn and testified as follows:

Direct examination by Mr. ELLIS:

Q. What is your name?

A. P. J. Hanns.

Q. Where do you reside?

A. Eugene.

Q. Eugene, Oregon?

A. Yes.

Q. In what business are you engaged?

A. Mill and supply business.

Q. Under what name does your company do business?

A. P. J. Hanns Company.

Q. Are you the sole owner or proprietor of that company?

A. Yes.

Q. Are you in active charge of its business?

A. I am.

Q. State a little more fully the type of business in which you are engaged.

A. We specialize in logging equipment; wire rope and logging supplies.

Q. How does your business compare in size with other business of similar character in Eugene?

A. I am the smaller of the two;

Q. You have one competitor?

1115 A. I have two competitors.

Q. You are the smallest of the three in your line of business?

A. Yes.

Q. Generally speaking is such business carried on in a similar manner to that of your competitors, so far as your shipments are concerned?

A. I would say so.

Q. What industry do you cater to?

A. The logging industry in the county.

Q. Do you sell anything to road and construction contractors?

A. Some, but the bulk of our business is with the logging industry.

Q. Are you generally familiar with the industries of the Eugene community?

A. I believe I am.

Q. Do you hold any official position in connection with the city government?

A. I am on the City Council; a member of the Council.

Q. You have been a resident of Eugene how long?

A. About 38 years.

Q. Do you do any shipping in interstate commerce?

A. I ship in; I don't ship anything out of the State; I ship into the State.

Q. Do you ship anything by truck from San Francisco Bay points?

A. Yes, some of our shipments come from the South.

1116 Q. Will you state in a general way the character of those shipments, and how frequently they move?

A. Well, it depends; there are certain classes of our supplies that are bought in the South when available; we buy a considerable amount of used wire rope; a considerable amount of that comes from the Bay region. We buy some in Portland; it is not what you would class as a regular stock; there are some periods when it is moving greater than at others.

Q. Do you find that the commodities you use are available to you both in the San Francisco Bay area and in Portland and Seattle?

A. Yes.

Q. You ship from Portland and from Seattle?

A. Yes; from both Portland and Seattle.

Q. How frequently would you say that you use truck service from the San Francisco Bay region?

A. Practically every week; practically every week there is something coming in from there. We buy some of our small hardware from San Francisco.

Examiner KEPHART. In less than truckload quantities?

The WITNESS. Less than truckload quantities; not all, but some. As to the wire rope, sometimes we do have a full shipment of wire rope.

By Mr. ELLIS:

Q. Over what lines have the shipments moved?

A. They come over the Consolidated and the Pierce Truck Lines.

1117 Q. They are delivered to you both by Consolidated and by Pierce?

A. Both.

Q. Do you know how those shipments move from San Francisco?

A. Well, there have been in the past some particularly heavy cable shipments which have been transferred at Medford.

Q. Do you know what line moved that freight from San Francisco to Medford?

A. I am not so familiar with the freight lines in California. I couldn't tell you the name of the company.

Q. Could you state in tons the approximate volume of your shipments from San Francisco Bay points?

A. I imagine they would average, over a year, seven or eight tons a month.

Q. Do those shipments—are those shipments destined to your place of business at Eugene?

A. Not all the shipments.

Q. What do you ship from California points?

A. Our products are sometimes shipped direct; heavy wire rope and special orders are taken, and most of those are shipped direct to our customers, and do not go through our plant.

Q. Will you state whether or not the service which you have obtained on your shipments from California points has been satisfactory or otherwise?

1118 A. They have been—I haven't any fault to find.

Q. Have you ever had any complaint from any of your customers concerning any delays on shipments which have been moved for your account?

A. No, sir; not from the South.

Q. Do the present facilities that you are using meet your needs in all particulars?

A. They take care of them, very well.

Q. Insofar as your business interests and requirements are concerned, is there any need for additional service between San Francisco and the points where your shipments are destined to?

A. I would say it is very well taken care of as it is; we have not experienced any inconvenience.

Q. What is the fact as to whether or not you have occasion to handle so-called emergency shipments at any time?

A. Well, our emergency shipments are practically all from the North, owing to break-downs or something of that kind.

Q. Why are they practically all from the North?

A. Because the manufacturing industry—because the manufacturing for the logging industry is practically all from the North, Portland and Seattle.

Q. Do you have occasion for emergency shipments for machinery, such as for tractors used in road construction and road construction equipment?

1119 A. Yes; whenever the occasion arises for emergency shipments; they come out of Portland, because the stocks in Portland are very good; the large stocks of parts are carried there.

Q. What would be the factor that would influence them to move from Portland rather than from San Francisco?

A. Much closer and quicker delivery.

Q. In the history of your business at Eugene, have you had occasion to make emergency shipments from San Francisco?

A. Not to my knowledge; we have never had any. There would be times, but that would not be classed as an emergency; we might order from Portland, and they would be out of the stock and it would be shipped from San Francisco. That would hardly be classed as an emergency. That very seldom happens.

Q. In connection with your business would a late afternoon delivery be of any particular advantage to you out of San Francisco, as compared with the following morning?

A. Not on the class of freight that we bring in from there; it wouldn't make any difference.

By Examiner KEPHART:

Q. What time do you close your store?

A. Five o'clock.

Q. Would it be of any more benefit to you if it arrived at seven o'clock in the morning or five o'clock in the evening?

A. In the case of emergencies, we pull that out of Portland; we

get the shipments out of Portland much quicker than they could come from San Francisco.

1120 By Mr. ELLIS:

Q. Have you anything further to suggest with regard to your views in this case, which I have not covered by my questions, dealing with the question of public necessity and convenience, or your views of the public interest in this matter?

A. I don't believe I have anything further to say. I have never heard any complaints about the service; I think that it has been very fine from Eugene, in both directions.

Mr. ELLIS. You may cross-examine.

Cross-examination by Mr. SCHAFER:

Q. Did you receive a letter from the Pierce Auto Freight asking you to appear here?

A. No, sir.

Q. How did you happen to come up here for this hearing?

A. I just passed by their place of business, going to the plant, and I met Mr. Miller outside as I went by, and he asked me if I was going to be busy Monday, and I said I was busy every day, and he said that they were having a hearing at Portland, and he asked me if I would come up. I said if there was anything I could do I would be glad to do it.

Q. What was your understanding of the purpose of coming up here?

A. I believe—there was very little said about it. However, I believe it was in regard to their line running to San Francisco.

1121 Q. Who is Mr. Miller?

A. He is the local man for Pierce.

Q. He represents Pierce at Eugene?

A. Yes.

Q. Now, what products do you handle in your business?

A. Wire rope, logging equipment, power transmission supplies, belts, pulleys, and general supplies needed in logging camps.

Q. That is all you handle?

A. That is right.

Q. And you get seven or eight tons of wire rope per month?

A. On the average, about that much.

Q. On the average, from San Francisco?

A. From that origin; yes.

Q. All coming in by truck?

A. Yes.

Q. What territory do you serve?

A. From Albany to Grants Pass.

Q. And that would include what places?

A. Lebanon, Sweet Home—that is, west of the Cascades; and we go out to the Coast over into Lincoln and Blaine and Douglas Counties.

Q. You don't serve any of the logging operations in Coos County?

A. No; we don't go into the Coos Bay territory.

Q. You never have emergency shipments on wire rope?

1122 A. No; I didn't say that. I said I didn't have from the South any emergencies.

By Exam. KEPHART:

Q. Emergency shipments?

A. Emergency shipments.

By Mr. SCHAFER:

Q. Are you familiar with the fact that the Consolidated Freightways are applying here for authority to extend their operations into the Bay territory?

A. I understand they are planning on some change in their truck lines, intending to make through trips.

Q. Whatever it is, you don't need any better service than you have now?

A. I am very well satisfied with the service in both directions.

Q. You are not particularly concerned with what they propose to do?

A. No; that is their problem.

Q. You are not undertaking to speak for the City of Eugene?

A. No.

Q. Just yourself personally?

A. That is right.

Q. Have you used the Pierce Auto Freight service for some period of time?

A. I think it is about five or six years; we have been doing business with them for about that time.

Q. They transport your shipments North?

A. A part of them.

1123 Q. For how long a time?

A. I think for the last three or four or five years.

Q. It is your understanding that they operate from San Francisco to Eugene?

A. How is that?

Q. Has it been your understanding that they operate through San Francisco to Eugene?

A. I knew that they changed at Medford.

Q. You know that they do operate through now?

A. Yes.

Q. I believe you stated that the principal source of logging machinery is in the North?

A. It is.

Q. That would not be true, so far as you know, of other types of machinery?

A. I know there is a lot of contracting and road equipment in San Francisco. However, there is a large stock of parts and machines; all those companies are represented in Portland and Seattle.

Q. A lot of those concerns are northwest branches of California houses? Isn't that a fact?

A. I wouldn't say they are California concerns. They are branches of concerns in the East, as I understand it. I don't know of any logging equipment being manufactured in California.

1124 Mr. SCHAFER. That is all.

Cross-examination by Mr. BEROL:

Q. I believe you said that you received about seven or eight tons a month from the San Francisco Bay area, of wire rope?

A. Yes.

Q. And do you receive any other commodities besides wire rope?

A. We buy lots of merchandise from San Francisco; a lot of stock merchandise.

Q. What does that consist of?

A. Smaller, shelf hardware.

Q. What would you say would be the average size of each shipment? What would be the average of those shipments?

A. Of the shelf hardware?

Q. Of everything, whatever you receive?

A. They don't come in the same shipments.

Q. What is the size of the average shelf hardware shipment?

A. In the neighborhood of 200 pounds.

Q. What is the weight of a wire rope shipment?

A. We always try to ship not less than five tons of that.

Q. That is in order to get the benefit of a cheaper rate?

A. That is right.

Q. Now, of the amount that you receive, has the major portion of it been brought to you by Consolidated or Pierce?

A. I would say it was about fifty-fifty.

1125 Q. That has been true over the period of the last three or four years?

A. I think so.

Q. Is it your understanding that all this traffic has been interchanged at Medford from one piece of equipment to another?

A. I understood that most of it was until lately.

Q. Now, wire rope, is that a type of commodity that is likely to be damaged by handling from one piece of equipment to another?

A. No.

Q. Do you recognize that there are some commodities that would be subject to damage by moving from one truck to another, or by handling?

A. Do I recognize what?

Q. Do you recognize there are some commodities that are likely to be damaged by handling?

A. Yes; certainly.

Q. Do you recognize that there are dealers that would be able to receive merchandise much more advantageously from a through shipment, or from a through movement by one carrier, than they would where there is an interchange?

A. I wouldn't be familiar with that.

Q. Assuming that there are such shippers, and assuming that such shippers who have testified in these proceedings have so stated, are you here objecting to the shippers being
1126 accorded that type of service?

A. I don't care what they get. That is all right with me.

Q. I am asking you if you are objecting to either the Consolidated Freightways or the Oregon-Nevada-California Fast Freight being permitted to run through equipment between Eugene and the San Francisco Bay area?

A. I am objecting to any freight line?

Q. Are you objecting to the granting of the applications, such as I have outlined to you?

A. I am not objecting to any freight line doing anything they are allowed to do. I am only asking for service on my own materials.

Q. You stated that you had shipments which did not come directly to your plant in Eugene, but went directly to your customers?

A. That is correct.

Q. Will you tell me whether such shipments are made to points on Highway 99, either north or south of Eugene?

A. Yes.

Q. What points?

A. As I stated, from Albany south to Grants Pass.

Q. Have you had any shipments made to Grants Pass from the San Francisco Bay area in the last 30 days?

A. Yes.

Q. Have you had any shipments to Albany in the last 30 days?

1127 A. I don't know.

Q. Have you had any shipments to any point on Highway 99 between Eugene and Salem from the San Francisco Bay area in the last 30 days?

A. Not from San Francisco.

Q. As a matter of fact, such shipments to any points other than Eugene, on Highway 99, from the San Francisco Bay area, are a rarity?

A. When our shipments are made direct to the customers, most of them come out of Portland. When we ship out of stock, we ship to the area close by.

Q. Then your testimony is to the effect that shipments to others than to your plant at Eugene come from Portland, rather than from San Francisco?

A. More so; yes.

Q. Now, are you able to obtain as complete a stock of hardware or small parts in the Portland area as in the San Francisco Bay area?

A. Are we what?

Mr. BEROL. Will you read the question?

(Question read.)

A. I would say yes.

Q. Now, the freight rate out of Portland is considerably cheaper than it is out of San Francisco, is it not?

A. The freight rate out of San Francisco houses is
1128 equalized with the Portland freight; the people we buy from equalize it.

Q. Isn't it a fact that, in the type of commodities that you deal, you can buy in San Francisco much cheaper than in Portland?

A. We buy some of it down there.

Q. You can get stock down there that you cannot get in Portland at all?

A. Nothing except wire rope. I mean, used wire rope.

Q. Is wire rope a commodity that you keep continually in stock?

A. Yes.

Q. How frequently do you make out orders for wire rope?

A. That is very hard to tell. There may be considerable space between the orders; it all depends on how fast it is moved.

Q. There is not, in the conduct of your business which you receive from the San Francisco Bay area, anything of a rush or emergency nature; the shipments that you receive from there are not in the nature of rush or emergency shipments, are they?

A. No; they are not.

Q. And that is the reason why the present service, insofar as you are concerned, is satisfactory?

A. It has been very satisfactory.

Mr. BEROL. That is all.

Chairman TERRIL. Is there anything further with this witness?

Mr. ELLIS. That is all.

1129 Chairman TERRIL. Thank you.

(Witness excused.)

Mr. ELLIS. Mr. Marshall.

JOE MARSHALL

Direct examination by Mr. ELLIS:

Q. Will you give your name to the reporter.

A. Joe Marshall.

Q. Your place of residence is Medford?

A. Yes.

Q. With what company or companies are you connected?

A. Kay-Marshall Company.

Q. In what business is that company?

A. Printers, lithographers, and paper box manufacturers.

Q. From what source of supply do you obtain your raw materials?

A. San Francisco, Antioch, Longview, Sumner, Port Angeles, Portland, Seattle, and points east.

Q. Of what do they consist, principally?

A. Usually paper, machinery, ink, and supplies.

Q. Can you tell us approximately the proportion of your traffic—north-bound traffic—which originated at San Francisco Bay as compared with other points of origin?

A. We probably have only about seven or eight tons out of the south, and prabably from 200 to 250 tons out of the north, and about 100 tons out of the east.

Q. Annually?

1130 A. Annually.

Q. What is the nature of the shipments you have out of the East? How are they handled?

A. Out of the East, we usually get our shipments by means of one of the carloading companies, and it is broken down in Portland and comes from Portland by truck or rail, depending on the quantity.

Q. If it is a full car, I presume it comes by rail?

A. If it is a full car, it comes direct by rail.

Q. Do you use the services of any of the trucking companies in connection with your business between San Francisco Bay and Medford?

A. Yes, almost entirely.

Q. Now, in what territory do you sell your commodities?

A. Northern California, as far south of Redding, over to the Coast; Eastern Oregon as far as Lakeview; up to Portland, and over to Pendleton, and also over to the Coast—Marshfield.

Q. Do you use the services of the common carrier truck lines in connection with the distribution of your products?

A. We do; we have shipments nearly every day.

Q. Are your products particularly useful or used in connection with the fruit industry?

A. A good part of them; yes. During the fruit season we sell a great deal to the fruit industry. During the rest of the year, we make labels for the canneries.

1131 Q. You make labels?

A. Yes, labels for boxes, and so forth. There is a very heavy shipment on that.

Q. What trucking companies have you utilized for your shipments between Southern Oregon points and points in California?

A. Mostly the Oregon-Nevada-California Fast Freight.

Q. Have you found their services adequate to your needs?

A. It is very satisfactory. It is a great deal better than it used to be. As time goes on, they get better.

Q. Have you used truck service to other points in Oregon not served by the Oregon-Nevada-California Fast Freight?

A. All northern shipments go by Pierce, or, if it is right close, it goes by whatever line goes there.

Q. In connection with shipments originating at San Francisco Bay points and destined to points north of Medford, how do those shipments move?

A. I specify the truck; and not being on the receiving end, I am not certain that they always go that way.

Q. Has the service been satisfactory or otherwise?

A. I haven't had any complaints yet.

Q. Has the service in the opposite direction from Portland south to Medford been satisfactory?

A. Very satisfactory now.

Q. Have you had occasion to use the services of Pierce Auto Freight in connection with your business?

1132 A. We use it very extensively; in the north, particularly.

Q. Do you use their service—strike that. Did you use their service originally when they operated a daily service south?

A. Yes.

Q. Did you find it satisfactory?

A. Yes.

Q. Are you aware of the fact that they have recently reinstated their service?

A. I have just heard that they have, recently.

Q. Are you familiar with the application of the Consolidated

Freightways to extend its operations from Medford south to San Francisco?

A. I have a general idea.

Q. Have you heard also of the application of the Oregon-Nevada-California Fast Freight to extend their lines from Medford north to Portland, Vancouver, and Camas?

A. Yes.

Q. What have you to say as to whether or not, in your opinion, there is any need for such extension of service?

A. Personally, I don't like to see a concern grow so big as to create a monopoly, as the railroads have done. People who have shipped as long as I have shipped know what that means; I don't like to see any other monopoly; if we do, we will have rotten service again.

Q. Have you been solicited by any other carriers other
1133 than the ones you have mentioned?

A. Yes.

Q. What concerns?

A. The Cascade Fast Freight goes through; they pick up shipments. The Los Angeles shipments are dropped off there. There have been two or three others come in; I don't recall their names, because we had all the service we needed. Of course, there are the rail lines going through.

Mr. ELLIS. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Mr. Marshall, I was very much interested in your testimony, in which you stated you didn't like to see a monopoly created like there used to be in the rays of the rail line monopolies. Have you had any experience with the Oregon-Nevada-California Fast Freight?

A. Yes.

Q. You consider them a fairly reliable line?

A. Yes.

Q. Do you understand what they are attempting to do here is to extend their line from San Francisco through Medford into Portland, instead of stopping at Portland as they do at the present time?

A. I do.

Q. Now, don't you believe that it is consistent with your theory against the possibility of monopoly, that it would be
1134 well, from the competitive standpoint, to give permission for them to extend their authority so as to have good competition from San Francisco to Portland?

A. I think you a getting too many carriers. You are getting to the point—that would give you three that are very active. I

understand one is going out of business. If that continues, it would be more than three. But that would make three or more shipping into Medford.

Q. From where?

A. Portland, and to my notion, that is too many for efficient operations. Two, I think, would be plenty each way to give good competition, along with the rail lines, and the boats.

Q. Do you have any boats in Medford?

A. We get it through Crescent City.

Q. What basis do you have for your opinion that less than two are too few and more than two are too many?

A. I didn't say that; that is just my guess.

Q. Just your guess?

A. Just like anybody else's.

Q. Are there just two lines of business like yours in Medford?

A. Just one.

Q. Do you feel that you need more competition?

A. We have it in other States.

Q. Now, are you here, in your testimony, objecting to the
1135 application of the Oregon-Nevada-California Fast Freight and their desire to serve the territory north to Portland?

A. I have no objection.

Q. Your only position is that, insofar as your business is concerned, that you can get along with the present agencies?

A. Very satisfactorily.

Q. I think you stated that you shipped between 200 and 250 tons between Portland and Medford?

A. Between the north and Medford.

Q. What do you mean by that?

A. Port Angeles, Sumner, Portland, Longview——

Q. What proportion comes by Portland?

A. I think they ship from Port Angeles and Everett by boat, and then they pick it up from the Coast.

Q. What proportion of the shipments come from Portland—originate at Portland?

A. Oh, I would say a little over 20%.

Q. About 20%?

A. Yes.

Q. And the other 80% comes from some other points in the north?

A. Yes.

Q. Your commodities, I take it, come primarily from the paper mills?

A. That is right.

1136 Q. Those paper mills are located at Everett?

A. Everett, Port Angeles, Sumner, Longview.

Q. And then there is some interchange before it arrives at Medford?

A. I think nearly all of that, unless it happens to be a full rail car—which is not very often—we ship by truck, usually.

Q. Isn't it a fact that, so far as the delivery of paper products to your company is concerned, there isn't anything about that that requires urgency or speed?

A. There is, at times.

Q. What percentage of the time?

A. So far as time is concerned, there are as many that require speed as do not require speed, but not in volume or pounds. They are usually small shipments; there are usually quite a number of those.

Q. You don't ship from California points to points north?

A. Yes.

Q. You ship directly from Medford or from San Francisco?

A. We ship directly from San Francisco Bay.

Q. How frequently does that happen?

A. Five to ten times a month.

Q. As to those shipments, there isn't any element of speed or urgency about them?

A. Very rarely.

1137 Q. So it makes no difference whether those shipments arrive the second day or the day following?

A. No.

Q. Similarly, it doesn't make any difference to you whether it is carried through on one piece of equipment or whether it is carried through on two or more?

A. No.

Q. You understand there are some shipments wherein that is a matter of considerable importance, or are you in a position to know?

A. I am not in a position to testify for other gentlemen.

Mr. BEROL. I think that is all.

Cross-examination by Mr. SCHAFER:

Q. Did you receive a letter from the Pierce Auto Freight Lines asking you to appear here?

A. I did not.

Q. How did you happen to come up?

A. They happened to talk to me personally, and I have appeared once before for them.

Q. Where was that when you appeared for them before?

A. Right here.

Q. That was the application of the Pierce Auto Freight Lines for the right to extend through to San Francisco?

A. I believe that was it.

Q. You then testified that you needed such service badly?

1138 A. As I stated then, and as I state now, I figured we should have two competitive carriers.

Q. At that time you had the Pacific Truck Express and the Oregon-Nevada-California Fast Freight?

A. No; as far as I know, the Pacific Truck Express was not operating.

Q. In your business, are you solicited by Colletti or Cascade?

A. Cascade; yes.

Q. In what manner do they solicit you?

A. I wouldn't say it was directly from them; it was from their agents in town.

Q. O. J. Mitchell?

A. I can't say.

Q. You have never heard of him?

A. I have heard of him, but I can't say that they have solicited us.

Q. How about the Pacific Refrigerated Motor Line, have they called on you?

A. No; because, I suppose, we don't have any refrigerated products. We have never been called on by them.

Q. The shipments that you get, are those corrugated boxes?

A. We make the boxes.

Q. What do you make them out of?

A. We buy the black cardboard.

Q. And you make the boxes yourselves?

1139 A. Yes.

Q. And you print them?

A. Yes.

Q. Most of your emergency shipments would arise from what?

A. They ask us to get out large quantities of them in a rush, during the season.

Q. You buy your raw products in carloads?

A. That is right.

Q. The question was asked you a moment ago as to what emergency you would be confronted with in filling an order, printing the boxes and manufacturing them?

A. That would not be emergency shipments, except in cases of small shipments, where we have a rush order for a matter of ink or small parts; we have considerable rush shipments of that kind.

Q. You are a printing establishment?

A. Our large tonnage is boxes and boards.

Q. With refernce to your objections to creating a monopoly, do you understand that the Interstate Commerce Commission now controls the rates of carriers?

A. Again I go back and state what happened in the days before we had trucks.

Q. How old are you?

A. 38. I have been in the business for 21 years; at the same stand for 17 years.

1140 Q. Go ahead.

A. When I first went to Medford, everything came in by rail. It took three or four days from Portland; and the trucks came in and we got overnight service. Last year we tried to get a rail shipment, and it took four days from Antioch by rail; and the trucks bring it in overnight. There is your answer.

Q. But the railroads have the same tracks they formerly had, the same engines, and they find it possible to run overnight?

A. That's right.

Q. They have the same facilities, and they just decided to speed it up?

A. The trucks made them do it; I can go back farther than that.

Q. I am enjoying it immensely, but I don't know how important it is.

Chairman TERRIL. I think the Board is satisfied with the testimony as it now is; I think the witness has made his point clear.

By Mr. SCHAFER:

Q. How long is it since you have had boatloads from Crescent City?

A. We have been solicited numerous times for shipments by boat from San Francisco to Crescent City; we have been solicited several times.

Q. That would be considerably slower, would it not?

A. It would be on stuff where time didn't make any difference.

Q. Are you familiar with the Consolidated Freightways
1141 application to render a through service, 24 hours faster than the present joint through service to Eastern Oregon and points in Eastern and Central Washington?

A. I don't know about that.

Q. Is that any concern of yours?

A. No; it would not be.

Q. You don't care about the service up there?

A. Not up North; I don't think they can get into our town any faster than it is.

Q. Would one day faster from Longview to Medford be of any service to you?

A. No.

Q. You are not in a hurry for that?

A. No. We have to give them plenty of time on it for the orders.

Mr. SCHAFER. That is all.

Cross-examination by Mr. BEROL:

Q. Mr. Marshall, you indicated that prior to the advent of trucks you had this difficulty with rail shipments taking three or four days or longer, and that you now receive your shipments by truck overnight?

A. That is right.

Q. Do you understand that the purport of your testimony here, and the purpose of it, is to prevent a truck service between Medford and Portland on the one hand, and, on the other hand,

1142 a truck service between Medford and San Francisco.

A. No, sir. I understand my testimony here to be in relation to the application of the Consolidated Freightways, that they are trying to run still more trucks; and that that one concern, which is the largest of the truck lines in this part of the country is trying to get more territory, and it looks to me as though they are trying to control and eventually freeze out one of the smaller lines, which is likely to happen if there is too much competition.

Q. What line do you understand is attempting to do that?

A. The Consolidated.

Q. You understand that my client is the Oregon-Nevada-California Fast Freight?

A. Yes.

Q. It is one of the smaller concerns?

A. Yes.

Q. Now, are you telling the Joint Board that the purpose of your testimony here is to prevent the Oregon-Nevada-California Fast Freight from adequately competing with the Consolidated Freightways from Medford to Portland, or from Medford to San Francisco?

A. No. It looks to me that if one of you get it, the other one will, too.

Q. And therefore, in order to prevent the Consolidated

1143 Freight Lines, this big line you are fearful of, from extending its operations, you are willing that the Oregon-Nevada-California Fast Freight also not be permitted to extend its operations?

A. If you could or would get together, you could iron out this difficulty; why don't you do it?

Q. We have had that suggested to us, too.

Examiner KEPHART. They said they had gotten together and could not iron out these difficulties.

The WITNESS. If you would try to iron them out, that would be all right.

By Mr. BEROL:

Q. Did you testify before on behalf of the Pierce Auto Freight Lines?

A. I did.

Q. Where did you testify?

A. Right here. I think perhaps I testified before, at Medford, quite a while ago.

Q. Was your testimony at that time to the effect that you were asking that Pierce be permitted to operate a through line between Portland and the San Francisco Bay area?

A. I think it was at this meeting here, held about two years ago—about a year ago.

Q. And you did so testify?

A. Yes.

Q. Tell me why it is that you so testified insofar as Pierce is concerned, but you are testifying contrariwise insofar as
1144 the Oregon-Nevada-California Fast Freight is concerned?

A. I stated, did I not, that two lines operating through here, with the railroads, should be sufficient. Two connecting lines operating should be sufficient.

Q. Do you know of any two connecting lines that are operating through between Portland on the one hand and San Francisco on the other?

A. And I contend that if the two of you would get together, you would have one good line; and then we have the Pacific Truck Express, and then there is the Pierce.

Q. Did you so testify at the time you were testifying on behalf of Pierce? Didn't you have the same competition down there then?

A. No. You are the only one that was soliciting business, that was really strong down there.

Q. Do I understand from your testimony that it is because you were advised that some big carrier was trying to invade and monopolize the field, that you came here to testify?

A. I was not advised; some things are pretty evident.

Q. I take it that your primary purpose here in testifying is to prevent monopoly?

A. Exactly.

Cross-examination by Mr. SCHAFER:

Q. Do you know that the Pierce Auto Freight Lines just commenced operating to San Francisco?

1145 A. Yes.

Q. You are not in a position to say what kind of service the public in Seattle and Portland are entitled to?

A. No.

Q. And you don't know what service is being given there through the joint efforts of the Oregon-Nevada-California Fast Freight and the Consolidated?

A. No.

Q. Your freight terminates at Medford, and there is no transfer involved?

A. Not all of it; some of it goes through.

Q. To what points would that be?

A. Eugene, Marshfield, Salem; all the points north of Medford.

Q. That is something that you manufacture?

A. No; it is goods that we job.

Q. Would it be your opinion that Pierce is now able to render a better service between San Francisco and Portland than he formerly rendered between those places when he exchanged with the Oregon-Nevada-California Fast Freight?

A. When they ran straight through for a while, the service was satisfactory; I imagine that is what he is doing now. I imagine it would be satisfactory; I can't say.

Q. You have no opinion as to whether his service is better now than it was in connection with the Oregon-Nevada-California Fast Freight operation?

1146 A. It was not connected with the Oregon-Nevada-California Fast Freight; it was running straight through.

Q. How many years has it been running straight through?

A. Roughly, for a year; and then it broke down to a weekly service from Frisco up; I understand it is daily now.

Q. Well, when it was weekly, did you know that for five days a week freight was transferred to the Pierce Line from the Oregon-California?

A. No; I did not.

Q. You thought that he only ran once a week?

A. Yes.

Mr. ADAMS. May I ask a question?

Cross-examination by Mr. ADAMS:

Q. You testified last fall for the Pierdce Auto Freight on their application for a certificate of public convenience and necessity?

A. I did.

Q. To Medford and south?

A. Yes.

Q. You stated at that time that the existing service, including that of the Consolidated Freightways and the Oregon-Nevada-California Fast Freight, was not satisfactory?

A. I did not; there wasn't any Consolidated running that I knew of.

Q. Well, they had a connection that you have been testi-
1147 fying about here?

A. That is only one line; that does not make two.

Q. You stated that the Consolidated from Portland to Medford and the Oregon-Nevada-California Fast Freight from Medford to San Francisco didn't give good service?

A. I said the service was slower. It was second day delivery, instead of first day delivery.

Q. You also testified that you were using a contract carrier for your shipments?

A. From the town of Antioch.

Q. You testified to that. Are your shipments from Portland to Medford intrastate?

A. Mostly from Port Angeles, Sumner, Everett, and Longview.

Q. You are not interested in service south of Medford any more?

A. Yes; we are still interested, and the service is good.

Q. From Medford?

A. We use the trucks to Redding.

Q. You testified in the prior case that you sold considerable printing to the Pierce Auto Freight?

A. I said I sold some, not considerable.

Q. They are customers of yours?

A. And so are the other truck lines.

Q. You and your partner are stockholders of Pierce?

A. No; they asked me that before; I think that is in the record.

Q. You also testified at the prior hearing that the once-
1148 a-week service of the Pierce Auto Freight Lines from Medford to the south, which was the service at that time, was a satisfactory service, you thought?

A. I did not. I don't think you can find that in the record.

Q. I don't have it here.

A. You won't find it.

Mr. ADAMS. That is all.

Redirect examination by Mr. ELLIS:

Q. Just one question. In connection with the contract carrier from Antioch, what was the situation?

A. He brings about 500 tons in.

Q. Of what commodity?

A. Cardboard.

Q. And that was the only point that he operated from in handling raw materials from Antioch to your plant at Medford?

A. Yes.

Mr. ELLIS. That is all.

(Witness excused.)

Mr. ELLIS. Mr. Cook.

RALPH COOK was sworn and testified as follows:

Direct examination by Mr. ELLIS:

Q. Will you state your name?

A. Ralph Cook.

Q. You reside in Medford?

1149 A. Yes, sir.

Q. In what business are you engaged?

A. Fruit business.

Q. In what capacity and with what company?

A. Assistant manager of the Oregon division of American Fruitgrowers, Inc.

Q. Does that company have a place of business at Medford?

A. Yes, sir.

Q. State in a general way what the nature of its business is?

A. Packers and shippers of pears, principally; and also a small supply of growers' supplies.

Q. Do you utilize the services of any common carrier railroad or truckline?

A. Yes.

Q. Do you use the services of a truckline in shipping into your place of business various kinds of supplies?

A. Yes.

Q. What other use do you make of common carrier truck service?

A. We ship some to the Pacific Coast points.

Q. How long have you been connected with this company at Medford?

A. Eight years.

Q. Between what points do you now utilize truck service in the handling of interstate shipments?

A. Between San Francisco and Medford; between Med-

1150 ford *and* and San Francisco; occasionally, shipments from Medford to Yakima; occasionally shipments from Seattle to Nyssa, Oregon.

Q. Do you have any shipments from San Francisco Bay points to any points north of Medford?

A. No.

Q. What truck service have you used between San Francisco Bay points and Medford?

A. The Oregon-Nevada-California Fast Freight, Pierce Auto Freight, and the Pacific Truck Express.

Q. Have you found that service adequate to your needs?

A. Yes.

Q. What truck service have you used to and from points north of Medford?

A. Pierce Auto Freight Line, Consolidated and Pacific Truck Express.

Q. In connection with your shipments of fruit from Medford to—did you say Yakima?

A. We have occasional shipments of supplies; no fruit to Yakima.

Q. Over what line do those shipments move?

A. Consolidated.

Q. Are those routine, regular shipments, or are they in the nature of emergency shipments?

A. Those are emergency shipments.

Q. What have you to say as to whether or not the service
1151 received on those shipments has been satisfactory?

A. It has been satisfactory.

Q. From your familiarity with the service being rendered in the territory which you serve, what have you to say as to whether or not there is any need for additional truck transportation service?

A. I can personally see no need for further transportation service. As the business increases, my general knowledge of the business shows that all the existing lines can increase their tonnage without increasing the overhead, and therefore create possibilities for lower freight rates for the shippers.

Mr. Berol. I move that that answer be stricken as not responsive; and, on the further ground, it calls for a conclusion of the witness; and, on the further ground, no proper foundation has been laid.

Mr. Ellis. That corresponds very closely to the type of shipper testimony we have been hearing from those counsel sitting on the other side of the table.

Mr. Berol. If so, it is not a proper answer to an objection. This is an objection to the testimony that is now being given, timely made.

Chairman Terril. The answer will be stricken.

By Mr. Ellis:

Q. What have you to say as to whether or not, to meet the needs of your business, you have any necessity for any motor car-
1152 riers in addition to those that are serving your territory?

A. We have none.

Q. And why do you say that?

A. Because they are able to handle all the freight that has to be shipped.

Q. In the event of an increase in tonnage between the points

where you ship at the present time, what is your desire as to whether or not the existing carriers should be permitted to extend their service to take care of that tonnage as compared with the proposal of adding additional carriers to take care of that?

Mr. BEROL. Just a minute. I don't know as I understand the question. If the question is directed to the tonnage controlled by this shipper, that is one thing; if, however, it is going, as the previous question, to the entire tonnage moving over the area, then I object to it as being irrelevant, and on the ground that no proper foundation has been laid.

Mr. ELLIS. It may be understood that he is confining his testimony to the needs of his concern.

Mr. SCHAFER. I want to object, on the further ground, that he has not testified to any increasing necessity for truck shipments; it is improper to have him testify to an assumed state of facts.

Chairman TERRIL. I think we will let the answer be made, with the limitation Mr. Ellis has placed upon the question.

1153 Will you read the question?

(Question read.)

A. In the event of an increase in tonnage by my company, the existing carriers can put on equipment to handle it.

By Mr. ELLIS:

Q. Are you solicited by more than one carrier for your business?

A. Yes.

Q. Is that solicitation rather persistent?

A. Quite so.

Q. Are you able to furnish at the present time enough traffic to satisfy them?

A. No; I might say I am overrun with freight solicitors.

Mr. ELLIS. You may cross-examine.

Cross-examination by Mr. BEROL:

Q. What do you mean when you say you are overrun with freight solicitors?

A. I mean just that; that the freight solicitors come and beg me for freight.

Q. Do you have any traffic moving between San Francisco Bay and Portland?

A. No.

Q. Do you have any traffic moving between San Francisco Bay and Eugene?

A. No.

Q. Do you have any traffic moving between San Fran-

1154 cisco Bay on the one hand and any points north of Medford, up to and including Vancouver, Washington, on the other hand?

A. No.

Q. You are familiar with the application of the Oregon-Nevada-California Fast Freight, are you not?

A. Yes.

Q. Now, insofar as the application of the Oregon-Nevada-California Fast Freight is concerned, you don't ship any commodities between any points where they propose to serve, do you?

A. No. Wait a minute, may I have that question?

(Question read.)

A. Yes.

Q. Between what points?

A. Between Portland and Medford.

Q. As to that traffic which you move between Portland and Medford, where does it originate?

A. A part of it in Portland, and a part of it in the East.

Q. As to that part which originates in Portland, it comes from somewhere else?

A. From the wholesale houses.

Q. As to that which originates in the East, does it, likewise, come to rest in the warehouses in Portland?

A. It comes from one of the national carloading concerns.

Q. And when it comes from one of the national carload-
1155 ing concerns, is it directed from the point of origin in the East directly to your place of business in Medford, or is it directed to Portland?

A. It is directed to Medford.

Q. How often do you have occasion to receive such shipments?

A. Oh, I would say, probably weekly.

Q. Once a week?

A. Once a week.

Q. What would be the weight of such a shipment?

A. Annually, it would total about 20 tons.

Q. Now, the only point, therefore, in which you are interested, covering the territory supposed to be served by the Oregon-Nevada-California Fast Freight is from Portland to Medford?

A. May I have that question again?

(Question read.)

A. Yes.

Q. Are you here objecting to the Oregon-Nevada-California Fast Freight being permitted to serve the territory between San Francisco and Portland?

A. I am here for the purpose of trying to minimize further transportation costs. I think that if we get more companies in here, it will make competition so fierce, and reduce the amount of business each company receives, to the point where they will not be able to lower the freight rates eventually.

Q. Is it your view that lower freight rates will be the
1156 result of more or less competition?

A. Freight rates, in my opinion, are based upon the operating costs of the operator, and any operator who can increase his volume of business, with the same operative overhead, would have a better chance of lowering the freight rates before the Interstate Commerce Commission.

Q. Did you get those views as a result of reading, or as a result of talking with someone?

A. As a result of experience.

Q. How far back does that experience in transportation go?

A. 12 years.

Q. Are you in a position to know what the relationship between the freight rates at the present is to the freight rates in this territory twenty years ago?

A. Not in this territory. My knowledge of freight rates is based upon my knowledge principally, of the transcontinental rates.

Q. Does your knowledge of freight rates go back as far as 12 years ago?

A. In freight rates?

Q. You say your knowledge is based on experience. Did you obtain that from some transportation agency?

A. No; I obtained it from experience in my own company.

Q. You haven't any knowledge as to the rates in the past compared with the rates today? Do you know what the rela-
1157 tionship is between the rates of ten or fifteen years ago as compared with today?

A. I don't know them that far back.

Q. You don't know the advent of truck competition resulted in reduced freight rates?

A. I know that.

Q. It has resulted in lower freight rates?

A. Yes.

Q. Do you know whether or not the railroads in this territory were subject to regulation prior to the advent of truck competition?

A. I don't know.

Q. Do you know as to whether or not carriers initiate their own rates with the Interstate Commerce Commission or whether the Interstate Commerce Commission fixes the rates for the carriers in this area?

A. I know that, in most cases, the shippers must appear before the Interstate Commerce Commission to obtain lower rates.

Q. Has that been your experience?

A. Yes.

Q. In this area?

A. I am speaking primarily of transcontinental rates, in the transcontinental area.

Q. I am speaking of rates in this area?

1158 A. Shippers request the carriers for lower rates, and it is my impression that they must appear before the Interstate Commerce Commission to obtain those lower rates.

Q. In this territory?

A. In this territory.

Q. Where did you get that information?

A. Through experience.

Q. Have you ever appeared before the Interstate Commerce Commission?

A. I have not.

Q. You have not?

A. No.

Q. Is it your testimony that the rates in this territory are lower than they were prior to the advent of truck competiion?

A. It is my impression; yes.

Q. And then it is your view that the more you eliminate competition in this area the lower your freight rates are going to be?

A. Under regulations of the Interstate Commerce Commission; yes.

Q. Would it be your view then, that in order to have the most economical and efficient type of operation, that all the traffic should be handled by one carrier?

A. What is the question?

Mr. Berol. Will you read the question, please?

(Question read.)

1159 A. No.

Q. Why not?

A. Principally, because we have to have more than one shipper to obtain the lower freight rates before the Interstate Commerce Commission.

Q. You say more than one shipper?

A. I mean, more than one carrier.

Q. Let me ask you this: Are you able to obtain the benefit of cheaper freight rates by reason of the regulations of the Interstate Commerce Commission, or by reason of the competition between carriers? Which is it?

A. Both.

Q. Now, is it your view now that you still need competition?

A. Yes.

Q. You still need competition, even if it results in less economical and efficient operation by the carriers that are competing with each other?

A. Not necessarily.

Q. What is your view now?

A. That there are sufficient carriers at the present time, and for the increase in our own business the present carriers can handle it by adding equipment; there are enough carriers at the present time. If they get more business, they will have a chance to lower the freight rates through the increased tonnage, while their overhead remains the same.

1160 Mr. BEROL. That is all.

Cross-examination by Mr. SCHAFER:

Q. Did you receive a letter from the Pierce Auto Freight?

A. No.

Chairman TERRIL. I think the Joint Board can almost take judicial notice of the fact that most of the witnesses came here in response to some solicitation.

Mr. SCHAFER. It will appear to the Joint Board, the purpose of the question, later.

By Mr. SCHAFER:

Q. The American Fruitgrowers Inc., where are their operations, principally?

A. They are all over the United States.

Q. That is what type of an organization?

A. It is a fruit packing and selling and growing organization.

Q. Is that a private company?

A. A corporation.

Q. You don't share the views of the previous witness, who has aversions to large operations at the present time?

A. No.

Q. You are the assistant manager of the Oregon Division?

A. Yes.

Q. Who is the manager?

A. G. R. Green.

Q. And where is he located?

1161 A. At Medford.

Q. He is your immediate superior?

A. Yes.

Q. He is your only superior?

A. Yes; directly.

Q. Who is your superior, indirectly?

A. I am directly responsible to Mr. G. R. Green, and he is responsible to the higher officials.

Q. He is the highest official in Medford?

A. Yes.

Q. You stated that you are overrun with solicitors?

A. Something to that effect.

Q. Are those mostly rail solicitors for east-bound cargo?
A. No.
Q. You are solicited by the rails for east-bound carloads?
A. Yes.
Q. And they call on you frequently and regularly?
A. Yes.
Q. What truck lines solicit your business from San Francisco to Medford?
A. What truck lines?
Q. Yes.
A. The truck lines that solicit us are the Pacific Truck Express, the Oregon-Cal., and Pierce.
Q. Those are the three that solicit you?
1162 A. Yes.
Q. And those are the only three?
A. Yes; from San Francisco to Medford.
Q. Now, the shipping of fruit is principelly rail, carload?
A. Yes; principally.
Q. What did you say you received from San Francisco?
A. Packing supplies and growers' supplies; hardware, spray materials, packing materials.
Q. You are not here expressing an opinion on the needs of the Northwest generally for a 24-hour faster service from San Francisco?
A. No; I am not.
Q. To Seattle and Tacoma, for instance?
A. No.
Q. That is out of your territory entirely?
A. Yes.
Q. You are here expressing your personal interest in the service between San Francisco and Medford?
A. And Portland and Medford.
Q. Portland and Medford also?
A. That is right.
Mr. SCHAFER. That is all.
Mr. ELLIS. No redirect.
(Witness excused.)

Mr. ELLIS. I would like to have the record show that
1163 Mr. Moore, of Medford, sales manager for the Sherwin-Williams Company of Oakland, with a warehouse in Portland, representing a firm that ships both from San Francisco Bay north and from Portland south into the general area, is present, and his testimony as to the sufficiency of the service would be the same as that of the previous witnesses this afternoon.
Mr. SCHAFER. I am agreeable to stipulating as to Portland and Medford.

Mr. BEROL. Between San Francisco and Medford on the one hand, and Portland and Medford on the other?

Mr. ELLIS. No; that is not true. He ships from Portland to points south of Medford, and from San Francisco to points north of Medford, depending on where the stock is. He would testify similarly to the previous witnesses as to the sufficiency of the service.

Mr. BEROL. What commodities?

Mr. ELLIS. Paint and spray materials.

Mr. BEROL. I am willing to so stipulate.

Mr. SCHAFER. I am not willing to so stipulate, because I know that paint moves from San Francisco to Portland at rail cargo rates, or on boat rates. It is a slow-moving commodity that moves at a 35-cent rate, which no truck line can possibly compete with.

Mr. ELLIS. I will limit my north-bound statement, or my statement as to the north-bound shipments, from the San
1164 Francisco Bay area to points as far north as Roseburg, and no further. He will testify that the present service is satisfactory; in fact, he will testify substantially the same as the previous witnesses as to the sufficiency of the service.

Mr. BEROL. The stipulation will be satisfactory to the Oregon-Nevada-California Fast Freight.

Chairman TERRIL. We will stand adjourned at this time until nine o'clock tomorrow morning.

(At 5:15 o'clock p. m., July 22, 1940, hearing adjourned to 9:00 o'clock a. m., July 23, 1940.)

1165–1166 MULTNOMAH HOTEL,
Portland, Oregon, July 23, 1940

Before Joint Board No. 11, composed of C. T. Terril, representing the Public Utilities Commissioner of Oregon, and Warren K. Brown, representing the Railroad Commission of California.

Present, also, C. I. Kephart, Examiner, Bureau of Motor Carriers, Interstate Commerce Commission.

Hearing resumed, pursuant to adjournment, at 9 o'clock a. m.

Appearances: (As heretofore noted.)

1167 PROCEEDINGS

Chairman TERRIL. Let us be in order, gentlemen. Call your next witness.

Mr. ELLIS. Mr. Brownson.

ORREN BROWNSON was sworn and testified as follows:

Direct examination by Mr. ELLIS:

Q. Your name is Orren Brownson?

A. Yes.

Q. Where do you live?

A. Eugene.

Q. In what business are you engaged?

A. Wholesale candy, tobacco, beverages, including beer, wine, and fountain supplies.

Q. What general territory do you serve in connection with your business?

A. We cover anything in the State of Oregon from Salem north, down to California, and from the natural mountain barrier to the Coast.

Q. You cover to the California line?

A. Yes.

Q. Are you engaged in the wholesale distribution of the products which you mentioned to the California line?

A. That is right.

Q. And do you maintain stocks of goods at any place in
1168 that territory other than Eugene?

A. At Medford, Marshfield, Newport, Albany, Corvallis, and Eugene.

Q. How long have you been engaged in this business?

A. About twelve or thirteen years.

Q. At the Eugene location?

A. Yes, and in the others, also, a good portion of that time.

Q. Under what name do you operate?

A. MacDonald Candy Company.

Q. What is your connection with the MacDonald Candy Company?

A. General manager.

Q. How long have you served in the capacity of general manager?

A. About six years.

Q. In that capacity do you get out over the district that you serve frequently?

A. Very frequently.

Q. From what source do you obtain your supplies of candy and tobaccos and other commodities that you distribute?

A. We obtain all of our supplies; that is we obtain all of our supplies, I should say, from practically every point in the country; from the east, from the north, and from the south. There is nothing from the west, of course, being as far west as we can go.

Q. To what points in the south do you ship from?
1169 A. San Francisco and Los Angeles, mainly.

Q. What proportion of your shipments comes from those sources?

A. I would say one-third.

Q. You ship also from Portland and Seattle?

A. That is right.

Q. What portion of your shipments comes from those points of origin?

A. Approximately one-third.

Q. And the balance comes in what manner?

A. Approximately 50% of the balance comes from out of Chicago; and the other 50% would come from the East Coast by boat, either terminating at San Francisco or Portland.

Q. And these goods are shipped to you in what way?

A. What do you mean?

Q. By what transportation means?

A. Generally by truck.

Q. What proportion of the other shipments originating either in the south, California points, Portland, or Seattle move to you by truck?

A. I would say two-thirds.

Examiner KEPHART. In less than truckload quantities?

The WITNESS. Yes, sir.

By Mr. ELLIS:

Q. Can you state approximately the volume of your shipments by truck?

1170 Mr. ADAMS. From where?

A. The total?

By Mr. ELLIS:

Q. The total volume of your shipments by truck?

Examiner KEPHART. From all directions?

Mr. ELLIS. Yes.

A. I would say about twenty to twenty-five tons per week.

By Mr. ELLIS:

Q. Do those shipments move every week, or every day of the week, or with what regularity?

A. Our merchandise moves regularly; we have daily shipments consistently, different commodities coming in on different days. Our organization is set up on a turn-over basis, and that necessitates at least weekly service from the majority of our factories, except those in the East.

Q. Would that be true, that you would have a shipment of some kind moving over some truck line almost every day of the week?

A. I could say that without exception.

Q. To what destinations do these shipments move?

A. We have truck shipments to each of our locations, I would say, daily, to at least one of them; in addition to that, we ship many what is termed as drop shipments, which are shipped to our

customers between these points of distribution, or in the vicinity of our operations, any place in our territory.

Q. Would there be included in what you term drop ship-
1171 ments movements from San Francisco Bay points to points north of Medford, Oregon?

A. Yes.

Q. Do you have shipments to such destinations, frequently?

A. Yes.

Q. What truck transportation have you used in connection with your business?

A. We have used the California Fast Freight, connecting at Medford with the Consolidated, and with Pierce in the past; we have had shipments via the Pacific Truck Express, and also by the Southern Pacific. There have even been shipments by other carriers that I know operate between Los Angeles, San Francisco, and the Northwest, although I am not particularly familiar with them.

Q. Will you state whether or not the truck transportation facilities you have available at the present time are entirely satisfactory to meet your requirements, or to meet the requirements of your business?

A. I would say that the transportation facilities all over our territory, both from the receiving standpoint and from our shipping standpoint, are just as good as you could ever hope to get, so far as our service is concerned.

Q. Does it meet all your present needs and requirements?

A. Yes.

Q. Is that true as to your south-bound movements as
1172 well as your north-bound movements?

A. Yes.

Q. You are familiar with the general nature of the application that is pending here before the Joint Board, are you, Mr. Brownson?

A. Yes.

Q. Do you have any further comment that you care to add to your testimony?

A. Well, perhaps.

Q. That I have overlooked, that might have a direct bearing upon the purposes of this proceeding?

A. Well, none other than the fact that I have been quite closely associated with this traffic business, so far as our particular business is concerned, for some time. Our business is done on a basis of service and turn-over; we probably turn our merchandise over as often as any type of business. We figure on a minimum turnover of our stock from twenty to twenty-five times a year, which means that the merchandise must roll in good order and by de-

pendable service; and the service which we have had in all our territory has improved to the point during the last few years where we figure we can get good service, which we could not expect to better under any conditions, from our source of supply; and our interest in the transportation business is to keep that kind of service; and knowing what is before the Board,
1173 and the situations that are existent today in the transportation business, we find that we are continually solicited by all types of transportation companies for business. It may be that that is because the business we have is mostly less-than-truckload, or what you call l. c. l. shipments; but I have had the feeling that an additional reason for that was that there wasn't enough business in the territory that we operate in to satisfy the carriers to the point where they were not continually after you for more business. It has been all the time——

Mr. BEROL. Pardon me. I am going to object to this. The witness was asked if he had any comment to make regarding the purposes of the proceeding before us, and he is making a speech dealing in conjecture, imaginings, beliefs, and understandings. And I will further object to any more such testimony, if testimony it can be called.

Mr. ELLIS. It seems to me the testimony is pertinent to the case; and he is entitled to express in his own way his attitude toward the transportation question involved.

Chairman TERRIL. I believe he confined it to the knowledge that he had gained from his own business.

Mr. ELLIS. Certainly he did.

Chairman TERRIL. I think however, he has sufficiently covered the ground.

By Mr. ELLIS:

1174 Q. Does that complete your statement, Mr. Brownson?

A. Yes.

Q. Do I understand that you are regularly solicited by numerous truck carriers, as well as other carriers?

A. Yes, by all types of transportation.

Q. Are those solicitations frequent?

A. Frequent and regular.

Mr. ELLIS. You may cross-examine.

By Chairman TERRIL:

Q. Do I understand that this twenty to twenty-five tons of freight per week, that that includes both incoming and outgoing freight?

A. Correct.

Q. Can you break that down as to how much is incoming?

A. I would say about twenty and five; five outgoing and twenty incoming.

By Examiner KEPHART:

Q. And the rest is sold retail?

A. Yes; and we operate as a private carrier in the outside operation of our business.

By Chairman TERRIL:

Q. Does that include freight delivered directly to your branches?

A. That is right.

Q. In other words all the freight incoming and outgoing to all your clients?

A. That is handled by truck?

Q. Yes.

1175 A. We have straight rail freight in addition to that freight.

Q. Is there any need for refrigerated service in your business?

A. Of course, we handle beverages, as I say, which is, in large proportions, beer. The only refrigeration necessary on that, however, is on those shipments from some distant points, such as Seattle and Spokane, and eastern shipments, of course, and in emergency shipments on beer or any other beverage that might demand refrigeration, it is all practically overnight haul, because all stocks are carried close—either Portland—in fact, we have never had occasion to draw out of San Francisco any beverages like that.

Q. What percentage of the beverage transportation is handled by for-hire trucks?

A. A greater proportion is handled as outgoing freight rather than incoming freight. We have quite a little movement from Eugene to Marshfield and Medford. I would not hazard a guess; it is quite regular. And we have shipments of beer from Portland to some particular point each week, not in great volume—five to ten thousand pounds.

By Examiner KEPHART:

Q. Is your rail service satisfactory?

A. Our carload service is extremely satisfactory. In fact, they have improved on that service this year over last year to a point where we can hardly expect anything better.

Q. How about the l. c. l. rail service?

1176 A. It has not been up to the standard set by the trucks yet; but we have used all of them quite extensively; they are improving.

Chairman TERRIL. You may cross-examine.

By Mr. ELLIS:

Q. Just one question brought out by the Examiner. You say you have some private-carrier trucks. Will you state what use you make of the private-carrier equipment?

A. We have our different locations, and from those we load our merchandise and transport it to our customers.

Q. They are in the nature of delivery trucks from your place of business?

A. Yes.

By Exam. KEPHART:

Q. To retail stores?

By Mr. ELLIS:

Q. To your retail stores?

A. That is right, and to our branches.

Mr. ELLIS. That is all.

Cross-examination by Mr. BEROL:

Q. Of this twenty tons, what percentage of that goes to Medford?

A. I would say about one-fourth. That which terminates in Medford, you mean?

Q. Yes.

A. That is correct.

Q. Where does the other three-fourths go?

1177 A. It is distributed between our other points of distribution, to Marshfield, Eugene, Albany, Corvallis, and Newport.

Q. Do you maintain plants at these places?

A. Yes.

Q. This distribution is performed by your own trucks or by for-hire carriers?

A. All by for-hire trucks.

Q. How much of that incoming freight comes from the San Francisco Bay area?

A. I would say seven or eight tons.

Q. Now, as to the traffic from the San Francisco Bay area of seven or eight tons, what proportion of that goes to Medford?

A. It probably would be slightly less than one-fourth of that.

Q. Now, how have you been receiving your traffic from the San Francisco Bay points during the last year?

A. By Pierce, Consolidated, Pacific Trucks, Southern Pacific. We have had some service from other lines. I am not entirely familiar with the lines, but I believe there are other carriers that have dropped some merchanise at our plants, particularly at Eugene—through carriers, I believe; but that has not been in any

volume. The major portion of it has been handled by the four lines.

Q. Did you ever receive any shipments at Medford via
1178 the Oregon-Nevada-California Fast Freight?

A. Yes.

Q. Have you any complaint with the service you received over that line?

A. No.

Q. How long a period of time does your experience with that line cover?

A. At least four years.

Q. Now, based upon your experience with the company, for the four year period, would you say they are a reliable transportation agency?

A. They have proven to be.

Q. Let me ask you: has the character of the service which you received to Marshfield or to Corvallis been comparable to the character of the service which you have received at Medford from the San Francisco Bay points?

A. In the way of service, leaving out the element of time, yes; of course, the time involved in our Corvallis and Marshfield shipments is longer; those plants are set up on an entirely different basis than the rest of the operation, because of the element of time.

Q. The element of time is not of importance to you in the receiving of freight?

A. Definitely so.

Q. When do you receive your merchandise from San
1179 Francisco Bay at Marshfield at the present time?

A. Second morning delivery.

Q. Is it your position here that second morning delivery is as satisfactory for your purposes as delivery on the afternoon of the next day?

A. Well, afternoon delivery in our business is of very little value, inasmuch as our operations are based on the promise of getting the orders out in the morning and taking care of the deliveries in the afternoon; our own service operates to these outside points; our trucks leave, naturally, in the morning, and come back in the evening, which would make afternoon deliveries at any point practically valueless.

Q. You say your trucks on your distribution service leave your plants in the morning?

A. That is correct. Our outside distribution, outside of the centers like Eugene, Medford and Marshfield. Our trucks leave for those places in the morning.

Q. I take it that your trucks are your own trucks, and they leave with commodities destined to your customers in the outside territories?

A. Yes; that is correct.

Q. What time in the morning do they leave?

A. About eight o'clock.

Q. About eight?

A. That is right.

1180 Q. They leave in the morning before the present service from San Francisco arrives with San Francisco commodities, do they not?

A. No. I find, in practically every instance, so far as second morning is concerned, that the merchandise has not been delivered to our house by eight o'clock; it, however, generally can always be picked up.

Q. Picked up where?

A. At the terminal.

Q. At the terminal?

A. Yes, sir.

Q. Is the merchandise ever delivered at eight o'clock?

A. Well, I believe it is sometimes.

Q. You mean that you receive deliveries at Marshfield before eight o'clock in the morning sometimes?

A. I am certain that we receive some before eight, at times; I am almost positive that we have. I know, if it is not in our place of business, our trucks usually hold over until they can get it; whether it is by eight o'clock, I wouldn't say, because, oftimes, in our schedules we have to make adjustments to fit in with the delivery of the merchandise.

Q. Is the Marshfield plant under your supervision and direction?

A. Yes.

Q. How recently have you made an investigation as to

1181 what your transportation conditions in Marshfield are?

A. Within the last thirty days.

Q. What did you find out as to the time of day you received the deliveries in Marshfield the second day?

A. In fact, I happened to be in Marshfield two days of last week, receiving freight myself, paying freight bills, and so forth, and, if I remember correctly, it was around nine or ten o'clock in the morning when the deliveries were received.

Q. After you receive the freight from San Francisco—and that comes in, as you say, between nine and ten o'clock in the morning—is there any check made of that freight when it comes in? That has to be done, does it not?

A. We always check it.

Q. How long does that take?

A. A very short time. Our shipments, as I stated, are usually all l. c. l. shipments. It takes very little time. They are practically all full cases, and they are easy to check.

Q. If that merchandise which arrived that morning was to go to your customers in the distribution area, how long a time would it take you to make that merchandise available for your customers in the distribution territory?

A. Available for delivery?

Q. Yes.

A. About ten o'clock.

1182 Q. That shipments comes in between nine and ten o'clock, and you have to make that traffic available for distribution that day?

A. Yes; that is often the case.

Q. If that is the case, you possibly could not leave with your truck at ten o'clock.

A. Sometimes they leave at 8:30.

Q. If there was anything on the morning delivery from the San Francisco Bay area, that was needed by your outside customers, they would have to wait an additional day, then?

A. No; they would not.

Q. If your trucks leave at 8:30?

A. No; for the reason that, in our Marshfield area particularly, to all southern points, and to the Coquille points, as well as to Gardner or Reedsport—I am not certain about the northern part—but I know that such points as Myrtle Point, Gold Beach, Port Oxford, and those points, there is a truck service that leaves Marshfield at about eleven o'clock.

Q. What truck service is that?

A. Central Transfer.

Q. You mean a truck service other than your own?

A. That is right, which fills in any service which would be of that importance, which we could not put on our own truck; if it was that important, we would put it on that truck and have it sent to our customers on the outside.

1183 Q. Now, let us be fair about this: Is it still your position that delivery to you at nine or ten o'clock tomorrow morning would be just as suitable or convenient to you as a delivery at three o'clock this afternoon?

A. One at nine o'clock just as suitable as one at three?

Q. Yes.

A. Delivery at nine o'clock would be more suitable.

Q. I am talking about a delivery nine o'clock tomorrow morning as compared with a three o'clock this afternoon, when the shipment leaves San Francisco at the same time. Is it still your

position that you would prefer nine o'clock tomorrow morning rather than three o'clock this afternoon, in spite of the fact that your truck leaves that area at 8:30 in the morning to make deliveries?

A. In the majority of cases, because of the factor in our business, perhaps, because we do not particularly like to receive freight in the afternoon.

Q. Now, tell me, Mr. Brownson, do you receive any freight in the afternoon at Medford?

A. Yes. I would say, shortly before noon; very shortly before.

Q. Are you still objecting to receiving it in the afternoon?

A. In a case of that kind, although it would not particularly affect our business in Medford, if we do not have a second-morning delivery, in most cases.

1184 Q. Mr. Browning, will you tell me what your understanding of the purpose of this proceeding is?

A. I understand both the Consolidated Freightways and the Oregon-Nevada-California Fast Freight have filed for through applications, one to continue from Medford down to San Francisco, and the other to continue from Medford up to Portland.

Q. Do I understand that you are here objecting to those lines being permitted to do that?

A. Yes.

Q. Why?

A. Because, from our standpoint, as I stated, we have had continuous solicitation for business by the lines that are now operating, and our service has been extremely satisfactory. I believe our line of merchandise is of as high a frequency as can be found, in turn-over, I mean, and I have seen, at times, in the business when the service has been——

Q. Just a minute——

Mr. ELLIS. I think he can finish his answer.

Mr. BEROL. He can explain his answer, but I don't want to be here next week.

The WITNESS. What was the question, please?

(The question read as follows: "Why?")

Examiner KEPHART. He has partially answered it.

Mr. BEROL. If he has partially answered it, if I am going
1185 to have to listen to any more of it, I will withdraw the question.

By Mr. BEROL:

Q. I want to know whether you are objecting or not?

A. Yes.

Examiner KEPHART. He said "yes," and started to explain.

Mr. ELLIS. I think the witness should be allowed to complete

his answer. Will you read his answer, Mr. Reporter, up to the place where he was stopped, and then let him complete his sentence?

(Answer read as follows: "Because, from our standpoint, as I stated, we have had continuous solicitation for business by the lines that are now operating, and our service has been extremely satisfactory. I believe our line of merchandise is of as high a frequency as can be found, in turn-over, I mean, and I have seen, at times, in the business when the service has been——")

A. Much less satisfactory than at present. We feel that if the service that we now have can be maintained, it can only be maintained by having enough business for the lines that are now operating, so that they can continue to operate. In that way our needs will always be fulfilled.

By Mr. BEROL:

Q. Have you finished your explanation, Mr. Witness?

A. If I am permitted—in our own business, we find, oftentimes, to a certain point competitive conditions improve
1186 the situation, but past that point they begin to deteriorate; I know, as we find in our own service, as private carriers, too much competition forces us to give less service than less competition would.

By Examiner KEPHART:

Q. Because of the thinness of the business?

A. That is right.

By Mr. BEROL:

Q. How many trucks do you operate in your own service?

A. Ten.

Q. What is the farthest point from your home base any of these trucks perform service—your own trucks?

A. About one hundred to one hundred fifty miles.

Q. From one hundred to one hundred fifty miles?

A. About that.

Q. Do you serve Eugene with your own trucks out of either Medford or Corvallis?

A. No.

Q. Out of Medford, how far north do you go with your own trucks?

A. We go north to Glendale, which is just off of Highway 99, about four miles off the highway, between Medford and Grants Pass.

Q. Where do you base your own proprietary trucks?

A. At Medford, Eugene, Marshfield, Albany, Corvallis,
1187 and Newport.

Q. Why do you operate your own trucks out of Medford if the existing services are so satisfactory?

A. Our private service out of Medford is to retail customers; in fact, it is handled by driver-salesmen rather than just drivers. The merchandise is sold from those trucks in the majority of instances.

Q. What carriers have solicited your traffic in the last six months?

A. The Pacific Truck, Consolidated, Oregon-California Fast, Pierce—you mean from south or all over?

Q. From the south?

A. Southern Pacific. That is all that have directly solicited us. In addition to that, I have had several requests out of the south, from manufacturers, asking if they would be permitted to ship by—they have mentioned a line or two that I am not permitted——

Q. Out of the south where?

A. Out of the south, from Los Angeles or San Francisco. We have received one or two out of San Francisco, but the majority of that type comes out of Los Angeles.

By Exam. KEPHART:

Q. Is that the Los Angeles-Seattle Motor Express?

A. I think there is a Cascade Fast Freight that dropped some stuff off; Mitchell Transfer at Eugene; and there has
1188 been a couple of instances where we have had merchandise dropped at a garage. That is particularly where I have noticed that type of service. I remember one shipment recently that was picked up at San Francisco, and it was dropped off at a garage in Eugene, because we didn't find that merchandise for a couple of days. It has not been a great deal that we have received that way.

By Mr. BEROL:

Q. As a matter of fact, outside of the four lines mentioned, you haven't received any direct solicitation?

A. If it was four I mentioned.

Q. It was four.

A. Southern Pacific, Oregon-California, Consolidated, Pierce and Pacific Truck—five.

Mr. BEROL. That is all.

Cross-examination by Mr. HICKSON:

Q. Mr. Brownson, you have been testifying here concerning shipments made by your company from San Francisco to the Marshfield and Coos Bay areas. Do I understand that you also ship from Portland into that area?

A. Yes.

Q. Could you tell us how the percentage of tonnage from Portland compares with the percentage of tonnage from San Francisco to the Marshfield area?

A. It is about fifty-fifty.

1189 Q. Fifty-fifty?

A. That is about right. In addition to that, there is freight that comes in from the East, which may overbalance it in favor of the north.

Q. I take it that you ship everything that you distribute into the Marshfield area?

A. Yes.

Q. It is not limited to beer?

A. No.

Q. Are there occasions where you have shipments to a point south of Coquille, where you route it over one of the commercial carriers rather than by your own equipment?

A. Yes.

Q. Are those occasions frequent?

A. Quite frequent.

Q. Quite frequent?

A. Quite frequent.

Q. I take it, on such movements, you rely to a considerable extent on the local carriers in the area, such as the Central Transfer and the Penter Truck Line?

A. That is right.

Q. Would it be inconvenient to you if those carriers, due to excess of competition, were forced from the field?

A. Definitely so.

Q. That is one of the reasons you are opposing this ap-

1190 plication here?

A. Yes.

Q. And also the application of the Oregon-Nevada-California Fast Freight?

A. That is right.

Mr. SCHAFER. If that is his objection, let him testify; don't testify for the witness.

By Mr. HICKSON:

Q. As I understand it, if a shipment comes in from the south and arrives at Marshfield too late to make morning delivery, or too late to make your morning truck delivery, then you use the service of the Central Truck Line or the Penter Truck Line?

A. In those cases when they must have the merchandise, yes.

Q. As I understand it, from your own service and the service of the local carriers, you have all the service that you need?

A. It is very satisfactory.

Q. It is sufficient?

A. It is sufficient.

Q. How frequently does it happen that the truck from San Francisco does not arrive in time to make the local deliveries from your trucks in Marshfield possible?

A. If it happened, we generally don't need the merchandise particularly that day, because it has never been brought to my attention. As in any other business, we do not depend upon the second morning delivery entirely; we generally have
1191 enough stock on hand to carry us through. I believe that would be true of any concern that does much business.

Q. Your shipments are routed from Portland to points south of Marshfield, when you use the commercial carriers?

A. I believe the majority have been the Consolidated or the Pacific Truck Express by request.

Q. What do you mean, "Pacific Truck Express by request?"

A. What do I mean?

Q. When you ship by the Conso. dated, are you familiar with how it is routed to destination, to the points south of Coquille?

A. I have never followed that particularly. As I say, the service has been satisfactory. I have never checked it all the way through; but I have had the impression that it has been transferred at either Eugene or Roseburg, for connecting carriers at Coquille or Marshfield.

Q. Transferred, is it not, at Coquille to these local carriers whom you have mentioned?

A. I am not sure how it is transferred, or whether they transfer at Coquille, or over at Marshfield. The time involved is not a particular item.

Q. You are opposing the granting of any certificate——

Mr. SCHAFER. Suppose you let the witness testify.

Mr. HICKSON. Oh, I think I have got enough in the record.

Mr. SCHAFER. You certainly have. If you were sworn, it would be good evidence.

1192 Mr. HICKSON. I will let the record speak for itself.

Mr. SCHAFER. It will.

Cross-examination by Mr. SCHAFER:

Q. What products do you get from Los Angeles?

A. Candy, fountain supplies, some tobacco; oh, miscellaneous merchandise of various natures.

Q. Los Angeles is the source of most of your shipments from California?

A. No.

Q. What do you get from the San Francisco area?

A. The bulk—in fact, I would say about 90%—of our tonnage is from San Francisco. Candy, fountain supplies, tobacco, beer, wine, and practically all of our commodities, or some of every kind, comes from the San Francisco market.

Q. What line of beer do you handle which comes from the Bay area?

A. It so happens at the present time it does not, although, probably in the near future, there will be beer out of San Francisco.

Q. Do you receive L. C. L. shipments out of San Francisco, of beer?

A. Yes; we do.

Q. Is it a general rule that you receive your beer L. C. L. from San Francisco by truck?

1193 A. No; it is not.

Q. That is the exception rather than the rule?

A. Yes.

Q. Ordinarily, how would beer be shipped from the San Francisco Bay area into Marshfield?

A. By carloads, or into the Marshfield area by boat. Our tonnage in beer, from San Francisco, has been but a small proportion of our tonnage.

Q. You say that the present facilities are adequate for your needs?

A. Yes.

Q. How long has that been true?

A. That has been particularly true since June 24; and there was a time previous, of about a year's operation, that we had both the California Fast Freight and the Pierce Service into our territory daily. The Oregon-California via the Consolidated.

Q. What happened on June 24?

A. I believe that was the day that Pierce started operating their through service to Eugene.

By Exam. KEPHART:

Q. More frequently than before?

A. I believe they started a daily service then. They started a daily service, the same as you are given, the Oregon-California Fast; previous to that time the Pacific Truck had brought

1194 in a number of shipments, and they had daily shipments, which were very satisfactory.

By Mr. SCHAFER:

Q. When Pierce started to operate through on the 24th, you found the service improved?

A. Not improved particularly. I would say it did not take a set-back.

Q. Why did you say it was particularly satisfactory since June 24?

A. We found that oftime—what is the question?

Mr. SCHAFER. Will you read the question, please?

(Question read.)

A. I don't know as that statement was necessary. We have enjoyed good service. I would say that we have enjoyed good service consistently from the south.

Q. That does not answer the question.

A. I stated that my remark was not necessary.

Exam. KEPHART. I think, in effect, he withdrew his answer.

The WITNESS. I just said it was more satisfactory; that we have had a service consistently from the south, for two or three years, that has been satisfactory.

By Mr. SCHAFER:

Q. You stated it was a benefit to you to be able to turn over your stocks fast?

A. Yes.

Q. Is the size of the stocks that you carry governed by the transit time available to you?

1195 A. Very definitely.

Q. You can carry and give a selection of merchandise with a smaller amount of money if you have a 24-hour fast service?

A. I would say that a 24-hour faster service makes not much difference; I would say that 48 hours makes considerable difference. A man can operate on a 24-hour basis much better.

Q. Then you wish to withdraw your previous answer, that the size of the stock is not governed by the transit time available?

A. It is up to a certain point. There isn't any business—at least in our kind of business—that would be operated on one day's supply of merchandise.

Q. I believe you stated that you carried a stock which would permit you to fill orders, even though the trucks—common carriers—arrived after the private trucks had departed?

A. That is correct.

Q. In that case you were figuring as close as a half a day?

A. For instance, in cigarettes, we have run into a situation there, because we handle a terrific volume; and it runs into many dollars and cents. Oftentimes our trucks will take the last case, or the last half a case we have on the floor, and we depend on that service. Sometimes during the day, or, in fact, sometimes when they go out, they go down and pick out the merchan-

1196 dise from some of our customers that we have sold. We run it that close; but any reasonable service in the morning, if

we throw our last case of cigarettes on the truck, it is perfectly satisfactory—we have to have some merchandise to work on. Your shelves could not be bare.

Q. A fast turn-over and the benefits obtained from a fast turn-over apply to merchandise everywhere?

A. That is true. I say, particularly in our business, because of the amount of money involved. As you know, cigarettes and tobacco run into a considerable amount of money, and the average merchant can't afford to have two great an investment in his stock.

Q. I believe you stated that you make deliveries to points south of Coquille, from your Marshfield branch, and that you only use the common carrier service when your trucks depart ahead of the arrival of the stock, and when the merchandise was needed badly. Is that correct?

A. No, sir. I believe the record will also show that we drop-ship merchandise. I believe the record will show that.

Q. You have it sent directly from the source to the merchants who buy it?

A. Yes.

Q. If the merchants at a place like Brookings, who now have second afternoon service, were to benefit to the extent of having first-morning service from San Francisco, would you say that would be a benefit to those merchants?

1197 A. If Brookings is in the Oregon territory, I believe that is the only point we do not cover. We go as far south as——

Q. You can answer the question by just assuming that Brookings is in your territory.

A. Generally speaking, from the knowledge I have of our accounts, it would not be of any particular value, a day on drop shipments—am I assuming that is correct?

Q. Yes.

A. I don't believe it would make a great deal of difference to the average retailer, because he is more or less like we are. He has never had service of that type. It may be of some value, and if it was of value, and there was sufficient volume, it would justify faster service. However, we are not in a particular location like that. He should have it, I should say, if the volume would justify it.

Q. Do you understand that the applicant is trying to improve its present service to such a point as Seattle, Tacoma, Centralia, and to points in Eastern Oregon and Washington?

A. I understood that was in the application.

Q. You are not attempting to say, for merchants in that ter-

ritory, that they should be satisfied with 24 hours longer service?

A. No, sir.

Q. The same principles of merchandizing apply there, as to transit time and stock available and so forth?

A. I would say they would be identical.

Q. Did you receive a letter from the Pierce Auto Freight
1198 asking you to come here?

A. No.

Q. Now, referring to the line that dropped your shipments at a garage in Eugene, when you spent several days looking for it—would you say that was a satisfactory service?

A. No.

Q. You would not?

A. Definitely not.

Cross-examination by Mr. IVERS:

Q. Are you solicited by McCracken Brothers for shipments?

A. No.

Q. Have you been solicited by them as agents of the Los Angeles-Seattle Motor Express.

A. No.

Q. Do you know they are the agents of the Los Angeles-Seattle Motor Express?

A. No.

Q. Do you receive any shipments at Medford from the south; from the O. K. Messenger Service at Medford?

A. Yes. I would not say that has happened from San Francisco, however. I have noticed that name on several freight bills, but I have not paid any particular attention to whether that was brought from San Francisco.

Q. Do you know that they are the agents at Medford for the Los Angeles-Seattle Motor Express?

1199 A. No, sir.

Mr. IVERS. That is all.

Chairman TERRIL. Is that all with this witness?

Mr. ELLIS. No redirect.

Chairman TERRIL. I think that is all, Mr. Brownson.

(Witness excused.)

Mr. ELLIS. Mr. Brosy.

LEE BROSY was sworn and testified as follows:

Direct examination by Mr. ELLIS:

Q. Will you give your name to the reporter?

A. Lee L. Brosy.

Q. Where do you reside?

A. Portland.

Q. In what business are you engaged?

A. Manager for the National Carloading Corporation.

Q. What is the nature of the business conducted by that company?

A. We assemble l. c. l. shipments in the east and bring them to the west for distribution.

Q. You maintain warehouse facilities for the distribution of commodities at Portland, do you?

A. No warehousing facilities, but terminal facilities.

Q. Do you distribute from those terminal facilities commodities which largely move into this state from points outside of the State of Oregon?

A. Exclusively from the outside.

1200 Q. What transportation service do you utilize in the transportation of those commodities?

A. You mean locally or beyond Portland?

Q. Beyond Portland.

A. We use rail and truck.

Q. Do you have occasion to distribute those commodities to any points south of Portland?

A. Yes; we do.

Q. To what territory do you distribute from the Portland terminal?

A. To any Oregon point, and to some in northern California; to some northern California points.

Q. What have you found as to the sufficiency of the truck, common carrier transportation service, with respect to your shipping needs?

A. In any particular territory?

Q. To the territory south of Portland, in Oregon, and in northern California, which you mentioned.

A. We have found it very adequate.

Q. How long have you used the truck transportation service from Portland into that area?

A. Since 1928.

Q. With what regularity do you make those shipments?

A. Daily.

Q. Are these shipments entirely in less than truckload quantities?

A. We occasionally put full cars into that territory, but anything handled out of Portland is less than truckloads.

1201 Q. What truck lines have you used in connection with your business?

A. I think we have used all of them.

Q. Can you state the principal ones that you recall using?

A. Pacific Truck Express, Consolidated, Pierce, Bend-Portland. You are interested in the short ones, too?

Q. To the territory Drain and south, principally. That is about to the territory Drain and south, principally.

A. That is about all.

Q. Are you frequently and regularly solicited by the various carriers for your business?

A Constantly.

Q. Are you familiar with the matters involved in the proceeding before the Commission here today?

A. Generally speaking; I have not followed it closely.

Q. In your opinion, is there any need for any additional truck line service from points—from Portland, south Drain, and to points in southern Oregon and Northern California?

Mr. SCHAFER. I will object to that answer, south of Drain.

Examiner KEPHART. For his own business.

By Mr. ELLIS:

Q. In connection with your own business?

A. So far as we are concerned, we are satisfied.

Mr. SCHAFER. I will withdraw the objection.

Mr. ELLIS. You may cross-examine.

By Examiner KEPHART:

Q. Are your terminal facilities at Portland?

A. Yes.

1202 Q. Do you rebill these goods when you ship from Portland?

A. They are moving at the present time on our through bills. We have provision and arrangement at the present time on concurrences.

Q. Are those rates lower than the regular rates?

A. They are.

Cross-examination by Mr. SCHAFER:

Q. The Pierce Auto Freight is the principle carrier that you use out of Portland to Medford; isn't that a fact?

A. No.

Q. He is the one that you use, principally?

A. No; we have been using the Pacific Truck Express.

Q. Your warehouse or place of business here is located on rail property, is it not?

A. Yes.

Q. You know that the Pacific Truck Express is owned by the Southern Pacific, do you not?

A. I am aware of that.

Q. What is your understanding as to the issues here before the Commission?

A. How is that?

Q. What do you understand the applicant, the Consolidated Freightways, is here applying for?

A. Generally speaking, they are applying, as I understand it, for permission to extend their service to points already
1203 served by other truck lines.

Q. What is the scope of that application? Have you any idea?

A. I have not read it.

Q. Now, your business comes from the East and Midwest, and is confined through your place at Portland, and you reship out of here by truck lines to points in Southern Oregon; isn't that right?

A. Truck and rail. We don't use trucks exclusively.

Q. Can you give me a rough idea of what percentage goes to such places in Oregon as Medford and Klamath Falls, compared to that which goes beyond those points into California?

A. The only points we handle in California are Alturas and others close to the Oregon line; that territory is handled largely by our Sacramento office.

Q. What truck service do you have to Alturas?

A. We don't have any truck service.

Q. As a matter of fact, there isn't any truck service to Alturas?

A. I don't know.

Q. Then you don't ship anything out of Portland to any of the points involved in California?

A. I wouldn't say that I did not.

Q. Alturas is the only point in California that you ship to?

A. Points south of Drain?

Q. In Oregon. These points are served by this applicant already?

A. So far as I know.

1204 Q. There is no application to serve points in Oregon. You know that, don't you?

Mr. ELLIS. This witness said Alturas and other points south of the Oregon line.

Mr. SCHAFER. He said "south of Drain."

By Mr. SCHAFER:

Q. You mean Drain, Oregon?

A. That is the only Drain I know of.

Mr. BEROL. No questions.

Chairman TERRIL. Thank you very much.

(Witness excused.)

Mr. ELLIS. Mr. Austin.

Mr. L. C. AUSTIN was sworn and testified as follows:

Direct examination by Mr. ELLIS:

Q. Will you give your name and initials to the reporter?

A. L. C. Austin.

Q. You reside in Portland?

A. Yes.

Q. In what business are you engaged?

A. The freight forwarding busines; transcontinental freight forwarding business.

Q. And your business is conducted in substantially the same manner as the witness' business who preceded you?

A. Yes.

1205 Q. From what source do you receive carload merchandise, principally?

A. East of the Mississippi.

Q. Your business is that of distributing that carload merchandise?

A. Yes.

Q. Where do you maintain terminal facilities or distribution facilities?

A. At Portland.

Q. What territory do you serve from your Portland distribution point?

A. The entire state of Oregon, and a few points in Northern California.

Q. In connection with that business, do you have occasion to utilize the services of common carrier truck transport systems?

A. Yes.

Q. How frequently do you have occasion to use that service?

A. Daily.

Q. And do you use it to the territory which you have described—the Oregon points and northern California?

A. Yes.

Q. Have you found that service entirely adequate to meet your transportation needs?

A. Yes.

Mr. ELLIS. You may cross-examine.

1206 Cross-examination by Mr. SCHAFER:

Q. Is your company represented in San Francisco, Mr. Austin?

A. Yes.

Q. Do I understand you to state that you have daily shipments to points in Northern California?

A. Yes.

Q. From Portland?

A. Yes.

Q. Name some of those points.

A. Crescent City and Yreka, and then there is Alturas and then there is Weed, and a few other small towns in there that I don't recall the names of at the moment.

Q. Where is your big volume of business? In Portland, isn't it?

A. The greater portion is Portland.

Q. About what percentage of your total comes to Portland?

A. About 60 percent, possibly.

Q. What proportion goes to points in Oregon such as Bend, Klamath Falls, Eugene, and such points?

A. I should estimate that at approximately 20 percent of the total.

Q. And do you also reach up into Washington?

A. Yes.

Q. Does your company have a concurrence with any of the motor carriers operating out of Portland?

1207 A. Yes.

Q. Do you enjoy a more favorable rate than they publish in their traffic as applicable to shippers generally?

A. The word "rate"—I would say "yes."

Q. You have no such concurrence with the Consolidated Freightways?

A. No.

Q. As a matter of fact, they don't publish a concurrence with forwarding companies; isn't that a fact?

A. Yes.

Q. Does your California branch attempt to give service also to points in Northern California?

A. Yes.

Q. How actively do you and your San Francisco office compete with each other for California business?

A. I wouldn't say that we compete; our classifications at the time of loading governs whether it is routed over Sacramento, Oakland, or Portland.

Q. Your company makes it a practice to ship, through l. c. l. rates, to any of these destinations in order to attract business; isn't that a fact?

A. Yes.

Q. In other words, the rail l. c. l. rate is much higher than your customer pays? For instance, if the rail l. c. l. rate is $4.00, you offer the customer something less than $4.00?

1208 A. Yes.

By Examiner KEPHART:

Q. What is the name of your company?

A. International Forwarding Company.

Q. Where are your terminal facilities? Portland?

A. Yes.

Q. You use the trucks out of Portland as a distributing point?

A. Yes.

Q. Do you rebill your shipments at Portland, or do they travel on through bills-of-lading?

A. They travel on through bills.

Q. Do you use the regular published rates of the truck operators in this territory?

A. The distributing truck operators?

Q. Or do you have lower rates?

A. We have through rates.

Q. In other words, you have a lower rate than the ordinary shipper from Portland to Eugene, for example?

A. Yes.

By Mr. SCHAFER:

Q. What percentage of your total volume goes to points in Washington?

A. We serve to Longview from Portland, and we have a few small points or towns on the Columbia River; and that would be about two or three percent of our volume.

Q. Now, actually, you don't ship over two or three percent of your volume into Northern California?

1209 A. That is subject to a wide variation.

Q. Let us have your best estimate?

A. Possibly three percent.

Mr. SCHAFER. That is all.

By Chairman TERRIL:

Q. Have you stated approximately what tonnage you have moving from your concern to points south of Portland?

A. No.

Q. Are you able to estimate that over any given period of time?

A. That would be to points——

Q. Points supposed to be served by this applicant out of Portland, and south of Portland and into the Northern California territory?

A. Approximately 100,000 pounds a month.

Mr. SCHAFER. What was that?

The WITNESS. 100,000 pounds a month.

Mr. SCHAFER. Which goes where?

The WITNESS. To points in Southern Oregon and California.

By Chairman TERRIL:

Q. By truck?

A. There would be some percentage of that by rail.

Q. Can you make a break-down of that, by rail and motor?

A. I would say approximately 80 percent truck, and 20 percent rail. That is about right.

Q. That is, 80,000 pounds truck and 20,000 pounds by rail?

A. That is right.

1210 Mr. SCHAFER. What is the principle California point—Northern California point—the one that you get the most business out of?

The WITNESS. Considering the size of the towns, it is about the same.

Cross-examination by Mr. BEROL:

Q. How large a territory does your company cover?

A. Speaking for the company as a whole?

Q. Yes.

A. Our Pacific Coast service is the west-bound transcontinental servic —traffic originating, generally speaking, east of the Mississippi to move to Pacific Coast terminals.

By Exam. KEPHART:

Q. What company are you affiliated with? Is that the full name?

A. Yes.

Q. You are not affiliated with the Acme Fast Freight?

A. No; that is an independent company.

By Mr. BEROL:

Q. Are you here protesting the application of the Oregon-Nevada-California Fast Freight?

Mr. ELLIS. The witness was called to appear here, at my request.

Mr. BEROL. I don't want counsel to tell me what the witness is here for. I want the witness to tell me.

Chairman TERRIL. I think he is entitled to an answer.

1211 A. Yes.

By Mr. BEROL:

Q. What do you uderstand our application seeks to do here?

A. To provide an additional service to certain points.

Q. Between what points?

A. To the Northern California points.

Q. From where?

A. From Oregon—from Portland.

Q. As a matter of fact, in the conduct of your business, is it not to your interest to have all the transportation facilities that are possible, available to you?

A. No.

Q. Why not?

A. Adequacy of service and ability for the participating lines to have a sufficient income to permit good service would be, in my estimation, a pre'quisite.

Q. Now, are you here protesting the application of the Oregon-Nevada-California Fast Freight because they refused your company lesser rates than they offer the general public?

Mr. HICKSON. Now, I have listened for two days to Mr. Berol make up his record in the California Fast Freight case, and I thought we were supposed to hear the application of the Consolidated.

Chairman TERRIL. I think there was a stipulation made that all this testimony could be considered in the Oregon-Cali-
1212 fornia case.

Mr. HICKSON. That is right, but that case is not before this Board at the present time. This last question is directed entirely to Mr. Berol's own case in the Oregon-Nevada-California case.

Mr. BEROL. Weren't you present last evening?

Mr. ELLIS. I don't think Mr. Hickson was present.

Chairman TERRIL. I don't believe he was.

Mr. BEROL. That stipulation was entered into last night.

Mr. ELLIS. It was agreed that this testimony might be used in the Oregon-California case, to avoid duplication.

Mr. BEROL. You had better sit down, John. Your friends are all against you.

Mr. HICKSON. That is all right, too.

Chairman TERRIL. The witness is appearing for the protestants, and the testimony of this witness will be incorporated in the other case. It was understood that Mr. Berol would have the same right of cross-examination as though the witness were called in his case.

Mr. HICKSON. The understanding is correct, but the question that he is now proposing is based on the services of some other carrier, in a different case.

Mr. BEROL. Mr. Hickson is suffering under a disability of some sort, but perhaps I can help him. Mr. Hickson does not realize that this witness is now testifying as though the
1213 testimony were applicable in both cases, the case now pending and also the application of the Oregon-Nevada-California Fast Freight; and, insofar as I am concerned, I am cross-examining this witness as though he were testifying in my case.

Mr. HICKSON. That is what I am objecting to.

Mr. BEROL. His testimony is by stipulation, to be included in the other case.

Chairman TERRIL. The objection will be overruled.

Mr. HICKSON. And I am objecting to building up this record on behalf of the applicant in the next case.

Chairman TERRIL. The objection is overruled.

Mr. BEROL. Now, will you read the question, Mr. Reporter?

(Question read.)

A. No.

By Mr. BEROL:

Q. Do you know about that?

A. Do I know about the division arrangements by certain lines?

Q. Yes.

A. Yes.

Q. Now, what railroad company controls your company?

A. None; it is an independent corporation, privately owned.

Q. You are about the only one.

A. Possibly so.

Exam. KEPHART. There is one more, at least.

Mr. BEROL. That is all.

Mr. ELLIS. No redirect.

(Witness excused.)

1214 Chairman TERRIL. We will take a short recess.

(Recess.)

Chairman TERRIL. Let us be in order, gentlemen.

Mr. ELLIS. Mr. Gray.

CHARLES E. GRAY was sworn and testified as follows:

Direct examination by Mr. ELLIS:

Q. Will you give the reporter your name and initials?

A. Charles E. Gray.

Q. Where do you reside?

A. I live at Oswego.

Q. In what business are you engaged?

A. In the wholesale baker, confectionery supply business.

Q. Where are your headquarters located?

A. At 13th and Davis, Portland.

Q. Under what business name does the firm conduct business?

A. It is Gray and Company; it was formerly Gray, McLean and Percy for many years.

Q. Will you state the extent of your business?

A. We job soda fountain equipment, ice cream freezers, and bakers' machinery; and then we have a laboratory where we make supplies for that line; we make various juices and supplies for confectioneries and bakeries. In other words, we are jobbers and manufacturers combined.

1215 Q. Of practically everything that is used by local bakers, serving the Coast area?

A. Yes; we ship down as far as Chico in Northern California.

Q. From what sources, principally, do you obtain the merchandise which you job, or the supplies going into the products which you prepare for distribution?

A. Well, we get a lot of citron from Italy; a lot of raisins from California—I don't know how many cars; we make mince-meat. We get bakers' machinery from San Francisco Bay; sometimes cars, and sometimes local shipments; and we ship our products throughout the northwest.

Q. Do you have occasion to utilize the services of common carrier truck lines in connection with the conduct of your business?

A. Yes; we ship quite a little stuff by truck.

Q. What is the principle use which you make of truck service, and to and from what points do you principally ship in that manner?

A. Well, we ship all over the territory; we ship even into Idaho. We have a man that lives in Salt Lake City, who has been representing us for six years. We ship manufactured stuff back there—most of it in cars, but some of it in local shipments. We ship as far north as Bellingham, and as far south as Chico; we ship over into the Grays Harbor country, and over into Baker City and Boise.

Q. Do you ship any supplies from San Francisco to
1216 Portland, or from San Francisco to pointsoin Oregon?

A. Well, such items as nuts; we ship different items out of San Francisco, and even Los Angeles; and we ship to all the different cities and towns.

Q. How frequently do you have occasion to use truck transportation service between Portland and points in California?

A. Of course, most of our stuff will be coming north. We ship some supplies, about once a week, originating in California coming north.

Q. How long have you been utilizing truck transportation service in that manner?

A. I don't know; we have been in business for 32 years, and, I presume, ever since the trucks became a factor in the movement of freight; I don't know how many years that would be.

Q. Will you state whether or not the present truck transportation service available to you, which you are using, between Portland and California points, fully meets all the needs of your business?

A. Why, I don't think there is any question about it. I would say that the present facilities are adequate.

Q. What is the fact as to your service from or through Portland to Southern Oregon points?

A. Roughly there must be eight or ten truck lines giving service there now.

Q. Do they fully meet your needs?

A. Yes; they do.

1217 Mr. ELLIS. Cross-examine.

Cross-examination by Mr. HICKSON:

Q. Mr. Gray, does your company also serve the territory out of Portland, south of Marshfield, down the Coast along United States Highway 101?

A. We ship to Coquille, Bandon, and all that community.

Q. Gold Beach?

A. Gold Beach.

Q. How frequently do you ship into that territory?

A. Well, I would say we ship there practically every day. We don't ship large orders every day, but we ship some little goods; we ship some to Crescent City.

By Examiner KEPHART:

Q. Do you ship any to Eureka, Dunsmuir, Redding or Alturas?

A. We ship small amounts of manufacturing goods, sometimes peels, and citrons—not a great many, and not in large amounts.

Q. Do you ship by motortruck facilities to the territories south of Marshfield?

A. Mostly.

Q. What carriers do you use?

A. We use different ones. The boys come in there and solicit our freight, and we sort of divide up the business between them.

Q. Do you ship by the Pacific Truck Express?

A. Yes; some stuff goes by the Pacific Truck Express. I couldn't say the proportion, but I know we have shipped by them.

1218 Q. Do you ever ship by the Consolidated Freightways?

A. Some goes to the Consolidated.

Q. I suppose you don't know how those shipments are transferred—the shipments south of Marshfield?

A. I wouldn't know the details. The shipping department handles it. I just know that they leave the building.

Q. You turn them over to a carrier at Portland, and they are taken to destination, and you don't know what carrier transports them to Coquille.

A. No.

Mr. HICKSON. That is all.

By Chairman TERRIL:

Q. Have you any way in which you could estimate the amount

of truck shipments that come into your plant from the south, in tonnage or otherwise?

A. I presume we make ten or fifteen cars of mince-meat a year; and those raisins, I am sure, come by rail; and until Oregon became a walnut producing area, we used to ship a lot of walnuts from California. Now those shipments are small.

Q. By motor, we are particularly interested in?

A. I would guess—I would not pretend to be accurate—but I would say 30 or 40 tons a year.

Q. Would you be able to estimate your outgoing shipments from points—or, rather, to points in Oregon and Northern California?

A. We ship to Baker.

Q. I mean, south of Portland.

1219 A. We ship to the Willamette Valley and to the Rogue River Valley.

Q. And into Northern California?

A. What tonnage we ship by truck?

Q. Yes.

A. I am afraid to guess. We have a seasonal turnover of three or four hundred thousand pounds of peel.

Q. All your outgoing shipments originate at your plant at Portland?

A. No. We ship equipment direct from the factories in the East to the different points.

Q. Is that routed through Portland?

A. They come in through cars, and we will ship from some line like Pierce or Consolidated to destination.

By Exam. KEPHART:

Q. You mean, by some line?

A. That is correct. To answer your question, based on that territory and the total volume of business that we do, Southern Oregon on through, maybe one hundred tons a year.

By Mr. HICKSON:

Q. You say, "Southern Oregon and on through?"

The WITNESS. To Northern California.

By Exam. KEPHART:

Q. Northern California as far south as Chico?

A. Yes. We do a seasonal business north of Chico, like Dunsmuir and those towns; not a steady business; manufactured goods.

Chairman TERRIL. You may cross examine.

1220 Cross-examination by Mr. SCHAFER:

Q. The raisins come by rail car from California?

A. Most of the shipments.

Q. The citrons; how is that packed?

A. That is packed in brine and barrels, and we process it. A lot of that comes from Italy; some of it comes from California.

Q. How does that come?

A. It comes in 500 pound barrels; we buy a lot of orange and lime candies and fruit mix.

Q. Is that in carloads?

A. No; it is local shipments. And we bring in some fresh oranges from California, too, and the peel.

Q. You don't know by what truck lines?

A. I never paid much attention to it.

Q. As a matter of fact, you have someone employed under you who takes care of the shipments?

A. Yes.

Q. And these solicitors see him?

A. They come on in there, and I tell the boys to divide the business up; we like them.

Q. The solicitors very seldom come up to your office?

A. That is right.

Q. You couldn't name the eight or ten truck lines that operate between California and Portland?

A. The Los Angeles-Seattle Freight Line, Pacific Truck Express, Consolidated, Pierce. Is there a "Freightways"—
1221 Consolidated Freightways? I don't pay much attention to it.

By Exam. KEPHART:

Q. The Southern Pacific Railway, also?

A. Yes; we ship some by rail.

By Mr. SCHAFER:

Q. Are these shipments emergency shipments?

A. Some of them are and some of them are not; McCracken is another line.

Q. McCracken does not operate south of Eugene, however?

A. I don't know.

Q. Now, on shipments of bakers' machinery from the East to these points, do you always make a carload up to be distributed?

A. No; we don't.

Q. What percentage of the time is the shipment made direct from the factory to the consignee?

A. Well, I would say about fifteen per cent. For instance, we just brought a carload in. We will get an order and we will have a carload shipped in, and then we will reroute it. We use these pool car companies.

By Exam. KEPHART:

Q. What do you mean by pool car companies?

A. Atlas, Universal.

By Mr. SCHAFER:

Q. You don't make up a carload of your own?

A. Oh yes, we do.

Q. But the pool car service that you receive; that is a forwarding company service?

A. That is right. I presume we make two or three straight cars a year, and the rest is pooled by Atlas or the Univer-
1222 sal or some other carloading company.

Q. You deliver them to points in California yourself, or do you tell the carloading company to take the shipment to California?

A. I would say, to Southern Oregon, we do some of that. I wouldn't say it would be a lot of it.

Q. Do you understand what the application is before the Interstate Commerce Commission?

A. I think I do.

Q. What is your understanding of it?

A. My understanding is that it is a question of whether or not we feel there is adequate facilities to move freight in a reasonable time. They are applying for additional service which, in a way, would mean, if there are too many, it might be that the rates would go up higher.

Q. Now, if it were to appear to you that the applicant, the Consolidated Freightways, proposed to improve its present service from San Francisco to points in the northwest, such as Seattle, Tacoma, Centralia, and eastern Washington and eastern Oregon, to the extent of a 24-hour faster service, would you say that the merchants in that territory would have no need for any better service than they have now?

A. I couldn't say that.

Q. You are just speaking for your own business alone?

A. I would say that a 24-hour additional service, or a
1223 faster service by 24 hours, is quite an improvement in service.

Q. You would think that would be a factor to be taken into consideration?

A. Yes.

Mr. IVERS. This witness is located at Portland, and ships to points south of Portland. Counsel is assuming there is a proposal of a 24-hour shorter service, in time, from San Francisco.

Mr. SCHAFER. I don't think the question assumes that. The service to Portland is second morning, and will continue to be second morning.

Mr. IVERS. That is why I object. It is not proper to assume in the question something that does not pertain to the locality in which the witness is interested.

Mr. FARRENS. I join in that objection; it is improper cross-examination.

Chairman TERRIL. The answer will stand for what it is worth.

By Mr. SCHAFER:

Q. What is it you get from California that is in the nature of emergency shipments?

A. Well, various items; nuts, almonds, some walnuts, some dates, some panoche sugar—not very much; emergency stuff.

Mr. SCHAFER. That is all.

Mr. BEROL. No questions.

Mr. HICKSON. No questions.

Chairman TERRIL. Thank you very much.

(Witness excused.)

1224 Mr. ELLIS. That is all of my witnesses. I understand there are other interveners who desire to present testimony at this time.

Chairman TERRIL. Mr. Farrens?

Mr. FARRENS. Our testimony will all be in San Francisco.

Chairman TERRIL. Mr. Hedges?

Mr. JENNINGS. I would like to put on a witness.

Chairman TERRIL. All right.

TED SWAN was sworn and testified as follows:

Direct examination by Mr. JENNINGS:

Q. Will you state your name?

A. Ted Swan.

Q. Where do you live?

A. Portland, Oregon.

Q. What do you do?

A. Freight dispatcher for the Cascade Fast Freight.

Q. Will you state briefly what your experience in the transportation business has been?

A. I have been connected with the motor transportation business since 1932.

Q. What are your duties on your present job?

A. Dispatching freight, and in charge of station labor, unloading freight, and unloading and packing up freight.

By Examiner KEPHART:

Q. How long have you been with this company?

1225 A. I have had an absence of eighteen months.

Q. You have been with this carrier except for eighteen months?

A. There was a period of about eighteen months I was gone; and since 1932 I have been connected with the motor transportation business.

Q. During all the rest of the time, with this carrier?

A. No.

Q. Not with this carrier?

A. I have not been employed by the Cascade that long.

Q. But with other carriers?

A. Yes.

By Mr. JENNINGS:

Q. Will you describe how north-bound freight from California is handled at Portland?

A. We have a daily schedule here, with the exception of Sundays; trucks arrive, as a general rule, in the morning; the trucks are backed up to the platform, and the freight is unloaded at the dock, and the beyond freight is segregated for the connecting carrier, and our local freight is immediately put on pick-up trucks and immediately delivered.

Q. The freight that is going beyond Portland, is that transferred to the connecting carrier the same day it arrives in Portland?

A. In practically all cases; there will be some times when it may be delayed for road failures. We have some carriers that have to get out a certain time in order to make the morning delivery. Speaking of the Seattle area, we have had the

1226 trucks coming in here as late as 12:00 o'clock at night, and they would go to Seattle and make deliveries into Seattle the following morning.

Q. Are these delays—are they common or rare?

A. Very rare.

Q. Insofar as the territory north of Portland is concerned, the freight goes forward from Portland the same day it arrives here, regardless of the time?

A. Yes; it does.

Q. Now, with respect to the south-bound freight, how do you handle the south-bound freight?

A. Well, we have a 7:00 o'clock schedule out of Portland daily, with the exception of Sunday.

Mr. SCHAFER. 7:00 o'clock in the morning?

The WITNESS. South-bound from Portland.

Mr. SCHAFER. In the morning or evening?

The WITNESS. In the evening.

Mr. SCHAFER. 7:00 P. M.?

The WITNESS. Yes. We have, occasionally, full loads which will go ahead of schedule; then there will be another one that will wait until 7:00 o'clock.

Q. So that, on certain days of the week, you will have an early truck and then a scheduled truck leaving later?

A. That is right.

Q. How many of the trips going south go on refrigerated trucks?

1227 A. Well, we have refrigerated commodities on 90 percent of our trucks going south. That would be either truck or trailer, or both.

Q. You dispatch those trucks yourself?

A. Yes.

Q. On the average, how many trucks a week do you route directly into Oakland or San Francisco?

A. Oh, I would say, on an average of five days a week to San Francisco and Oakland.

Q. That is, where the truck goes directly in there?

A. That is right; where it goes directly in there.

Q. There has been some matter put into the record with respect to the movement of the berries from Van Couver. Will you tell us how you handle the berries from Van Couver?

A. The majority of those shipments are delivered to our dock by the shipper at Portland.

Q. Is there any particular day on which those shipments are made?

A. No. We are capable of handling those shipments any day of the week, with the exception of Sundays.

Q. Has that been true in the past, that they have moved on various days?

A. That is true.

Q. And they have not moved on any particular day?

A. Not to my knowledge. They have moved on any day, so far as I know. Unless the shipper has wanted to move them

1228 on a certain day, we have always been capable of taking them any day of the week.

Q. That is his own choice if he picked any particular day?

A. That is right.

Q. Have you, at any time, ever refused any freight on account of the company not being in a position to handle it?

A. No; we have always had plenty of equipment.

Q. Now, you mentioned, I believe, about five of the trucks a week went in directly to San Francisco and Oakland.

A. That is correct.

Q. The trips that don't go in direct, how do you route the freight for San Francisco and Oakland on those trips?

A. We have a connecting carrier at Stockton, the California Fireproof Storage Company. Our trucks arrive in Stockton between the hours of 6:00 in the morning and 10:00 o'clock; he

has a 2:00 a. m. schedule out of there, and that gives a second morning delivery into San Francisco.

Q. So that the trips that don't go in, you make a connection at Stockton?

A. Yes.

Q. Mr. Swan, have you any facilities on the platform for the handling of small lots of frozen or highly perishable commodities?

A. Yes.

Q. What does that consist of?

A. We have an icebox, which is an insulated box, and we use that or dry ice in it. It is mounted on trucks, so that it is moveable, and there have been occasions when we have had to
1229 hold perishable shipments. Maybe it would come in after the schedule had left, and we iced it down, and it would go out on the next schedule. That is sitting on the Portland platform all the time.

Q. You can control the temperature in that box by varying the amount of ice, or the kind of ice used?

A. Yes. We have held commodities in there that had to be cooled; and we have held frozen commodities.

Mr. JENNINGS. I think that is all. I would like to state to the Board, on the record, that we expect to put on further testimony in San Francisco, but we put on Mr. Swan here in Portland, with the expectation that he wouldn't have to go to San Francisco. We will complete our testimony from the other end at that time.

Mr. SCHAFER. Before we leave his part, can you say who will testify in San Francisco, and what will be the nature of his testimony?

Mr. JENNINGS. I can't possibly tell you.

Mr. SCHAFER. You don't know how much of this you are going to cover?

Mr. JENNINGS. I havent' been down there yet.

By Chairman TERRIL:

Q. How many pieces of equipment does the Cascade operate, or do you know?

A. You mean, in road equipment?

Q. In the line haul service?

A. At the present time, we are operating eight trucks
1230 and trailers between here and Los Angeles.

Q. That would be sixteen pieces altogether?

A. Yes.

Q. Are those used all the time?

A. They are used and rotated.

Q. How much of the time would you say they are loaded to capacity between here and the California points, and vice versa?

A. That is a question that is pretty hard for me to answer, because those trucks make considerable pick-ups in the Willamette Valley, and I have no control over that.

Q. Are you able to estimate what the average capacity is that is used in those trucks?

A. I can answer it this way; that the south-bound trucks are considerably lighter than the north-bound trucks.

Q. The south-bound is lighter?

A. Yes.

Q. Has there been any increase in the amount of south-bound business during the past year, or two years?

A. Well, in my present position—I have been in this position the last four months—and there has been a slight increase; but the time of the year would make some difference.

Q. You are not familiar with the operations of the Cascade Fast Freight for more than four months?

A. Not this time.

1231 Q. You have not been with the company?

A. Not just now; no.

Q. Then you are not able to say much about the increase, so far as the Cascade is concerned?

A. Not at this time.

By Mr. JENNINGS:

Q. You worked for the Cascade prior to this time?

A. Yes, I did. I was with the Cascade for a year, and I was away for a year, and I came back this time; but when I was with the Cascade before, I didn't have this position. My work was strictly street work.

Q. A different kind of work?

A. Yes.

Chairman TERRIL. You will have other witnesses to testify as to the amount of business by Cascade?

Mr. JENNINGS. Yes.

Mr. HICKSON. I would like to answer a question on direct.

Cross-examination by Mr. HICKSON:

Q. You understand that the Consolidated Freightways proposes, if its certificate is granted, to operate four daily schedules out of San Francisco?

A. What is that?

Chairman TERRIL. Will you read the question?

(Question read.)

A. Between Portland and San Francisco?

1232 By Mr. HICKSON:

Q. Yes; they propose four additional schedules out of San Francisco daily. Do you understand that?

A. No, I don't.

Q. Assuming that they do propose that, if this certificate is granted, what would you say as to what, in your opinion, is the probability of there being sufficient tonnage in San Francisco to support four additional schedules out of San Francisco?

Mr. SCHAFER. That is objected to as beyond the witness's qualifications. He has been dispatching for four months. He has testified as to their schedule. He is certainly in no position to conjecture as to what is available in San Francisco. There has been no foundation laid, qualifying the witness.

Mr. JENNINGS. He has testified how much tonnage is being available.

Mr. HICKSON. He should be able to testify to that.

Chairman TERRIL. This witness has not been shown to be qualified. The objection is sustained.

By Mr. HICKSON:

Q. How many schedules do you operate into San Francisco daily?

A. That is something I couldn't answer; I have no notice of these trucks.

Q. I think you testified that you operated five days a week into San Francisco?

A. South-bound.

Q. Do you know how many north-bound?

1233 A. The waybills originate in San Francisco, and they have a date on them; I don't know how much.

Q. Isn't the reason that you don't operate daily south-bound due to the fact that there isn't sufficient tonnage to support a daily schedule?

A. I don't know.

Q. I am asking you now why you don't operate six days or seven days a week?

Mr. JENNINGS. That is a question that should be asked of the management. He is not qualified.

By Chairman TERRIL:

Q. Can you answer the question?

A. Yes.

Chairman TERRIL. All right. Answer the question.

A. We do any time that the truck has rush freight or perishable freight; at such times it always goes to San Francisco. There are bridge tolls going through San Francisco, and it is quite expensive; that is why we ship through Stockton.

By Mr. HICKSON:

Q. During the time you have been a dispatcher, and being familiar with the operations of the Cascade Fast Freight—you haven't been operating more than five days per week south-bound?

A. That is just an average; close to five days.

Mr. HICKSON. I guess that is all.

Cross-examination by Mr. SCHAFER:

Q. What determines whether you will or will not go into San Francisco?

1234 A. We always go into San Francisco.

Q. What determines whether you will or not?

A. If it is perishable freight we always go with the truck in there.

Q. You said that 90 percent of the freight was perishable?

A. We have lots of perishable freight other than San Francisco freight.

Q. Where is the principle volume of your business?

A. Well, the principle volume of it—the majority is Los Angeles.

Q. How many schedules do you operate per day south-bound?

A. How many?

Q. I believe you said you operate five a week?

A. We have a daily schedule, with the exception of Sundays; at times there is an extra truck that goes out with a load.

Q. You occasionally send extras?

A. Yes.

Q. You have not been there long enough to say whether their business is increasing steadily and substantially?

Chairman TERRIL. I asked him those question, I believe, and he said he didn't know.

Mr. SCHAFER. I am sorry.

By Mr. SCHAFER:

Q. Do you have division points for drivers?

A. No; we operate sleeper cabs.

Q. What type of refrigeration do you have?

A. Insulated bodies, with wet or dry ice as the condition requires.

1235 Q. How far is it from Portland to Los Angeles, do you know?

A. I understand it is about 750 miles.

Q. To Los Angeles?

A. Well, Los Angeles is approximately 1,000 miles.

Q. If someone were to tender you at Melford a truck and

trailer load of freight bound for San Francisco, what would you, as a dispatcher, do?

A. If I was picking up a truck and trailer load at Medford?

Q. A full load for San Francisco, at Medford?

A. The truck would be routed to San Francisco.

Q. You would have to dead-head the truck from Portland to Medford?

A. Yes.

Q. That is three hundred and some odd miles?

A. Yes.

Q. And when you got to San Francisco—is your principle north-bound tonnage out of Los Angeles?

A. Yes.

Q. Then you would be operating the greater portion of that trip south-bound empty?

A. That is something I couldn't say; that would be up to the dispatcher at San Francisco or Los Angeles.

Q. It would be up to them to take care of that?

A. That is right.

Mr. SCHAFER. I will reserve my further questions for some witness.

1236

Cross-examination by Mr. BEROL:

Q. Who, Mr. Swan, is your connecting carrier between Stockton and San Francisco?

A. The California Fireproof Storage Company.

Q. Do they operate a daily schedule between Stockton and San Francisco?

A. I understand they do, with the exception of Sundays; he leaves Sunday nights.

Q. Do they operate under that name, or another name?

A. That is the name that is listed as our agent as a connecting carrier, the California Fireproof Storage.

Q. According to your information, they leave Stockton what time?

A. 2:00 a. m. with the exception of Sunday morning.

Mr. JENNINGS. We will put on the detail of that operation.

Mr. BEROL. I understand that Mr. Jennings is going to offer some testimony in San Francisco, and I would like to defer my questioning until he does so, except for the fact that he has not made clear just what testimony he is going to offer, and I can't anticipate that except by exploration.

Mr. JENNINGS. The reason Mr. Swan was put on here was for the purpose of making it unnecessary for him to go to San Francisco.

Mr. BEROL. Is it going to be your purpose to give the termi-

1237 nal facilities, the equipment and operations, and so on, other than what Mr. Swan had testified to, in San Francisco?

Mr. JENNINGS. Yes.

By Mr. BEROL:

Q. You stated that you had on an average of five schedules a week, that moved directly into San Francisco?

A. Yes.

Q. As to those schedules, there is no necessity for interchange to Stockton?

A. Well, it all depends on the freight that you are handling.

Q. When you say five schedules a week leaving for San Francisco, do you mean by that, that approximately on five days a week there is freight that is destined for San Francisco?

A. Yes.

Q. And that freight may be either interchanged at Stockton or taken directly into San Francisco?

A. If the trucks are routed from here to San Francisco, that is the way they go.

Q. By five schedules, you mean five schedules on the average?

A. I am just speaking on the average.

Q. Might that be that one week you would have three schedules and the following week you would have eight schedules?

A. I would say that we would not have less than five schedules into San Francisco.

Q. Not less?

A. That is right.

1238 Q. Every week?

A. Yes.

Q. How many pieces of equipment does your company operate?

A. Eight trucks and trailers.

Q. Eight trucks and eight trailers?

A. Yes.

Q. How many are owned by the company and how many are leased?

A. That is something I couldn't say.

Q. You don't know?

A. No.

Q. Well, is there any of the eight trucks and trailers that is not in use at the present time?

A. No; I wouldn't say; there is one that was wrecked.

Q. In other words, you have in use seven trucks and seven trailers?

A. Unless this one has been replaced in the last day.

Q. Assuming, Mr. Swan, that you have seven trucks and seven

trailers, and one left here every night of the week, except one, if you had five schedules going into San Francisco, how many schedules could you have with the equipment that would not go into San Francisco?

A. Well, these trucks make an average of a round-trip every five days.

Q. A round-trip every five days?

A. That is right.

Q. So that you will have approximately 35 round-trips
1239 per month; is that right?

A. Approximately that.

Q. Now, then, if you had not less than five schedules per week into San Francisco—do you frequently have more than five schedules per week into San Francisco?

A. Yes.

Q. Now, what route does the truck follow when it goes directly into San Francisco?

A. Well, that varies. Sometimes we will have perishable freight for Sacramento and Stockton, and then Oakland, and then into San Francisco. If they don't have it, they go down to Napa and Vallejo and the Stockton Gate Bridge.

Q. After this equipment arrives in San Francisco, it continues to Los Angeles?

A. That is something I couldn't say.

Q. You don't know anything about that?

A. No.

Q. On any day of the week, if a shipper tenders you freight here, are you in a position to tell him whether or not that freight will go through to San Francisco or will be interchanged at Stockton?

A. Yes; I am.

Q. How can you tell him?

A. By the condition of the freight, what type of freight it is.

Q. Suppose on any day you didn't have the freight that
1240 requires shipment to San Francisco, would you then advise the shipper it would be interchanged at Stockton?

A. It would depend on the freight itself.

Q. If I were a shipper and asked you, "do you send a truck out of Portland for San Francisco every day of the week except one?" what would be your answer?

A. If you asked me if I was taking the shipment direct into San Francisco, that is the way it would go.

Q. You misunderstood my question; my question is, are you offering the shippers a daily schedule into San Francisco without interchange?

Mr. HEDGES. He answered that question.

A. If the shipper asks that question, we would answer it.

By Mr. BEROL:

Q. You would answer it. And then, thereafter, you handle the traffic as you see fit depending on the circumstances, whether it goes directly into San Francisco or whether it is interchanged at Stockton?

A. We dispatch the trucks that requires service the way we think best; and the way it is dispatched, that is the way it goes.

Q. Has your company operated at least seven trucks and seven trailers during the time you have been with the company?

A. Yes.

Q. And that has been four months?

A. Yes.

Q. You know nothing about the condition of the com-
1241 pany prior to that time?

A. No.

Mr. BEROL. I presume, Mr. Jennings, any testimony as to records and operating rights of the company, you would prefer that be handled by another witness?

Mr. JENNINGS. Yes.

Mr. BEROL. There will be a witness to testify to that?

Mr. JENNINGS. Yes.

Mr. BEROL. That is all I have.

Mr. JENNINGS. You may be excused.

(Witness excused.)

Mr. ELLIS. Mr. Culbertson is here, and I volunteered to assist him.

Mr. BEROL. Mr. Ellis and I stipulated last night that the testimony of public witnesses offered in this case may likewise be applicable in the subsequent case. I am not willing to make a similar stipulation in the case of Mr. Culbertson.

Chairman TERRIL. It will be understood that the testimony of Mr. Swan will be subject to the same stipulation as the other witnesses.

Mr. BEROL. But I am now advising the Board and advising Counsel, that I don't propose the stipulation will carry over to Mr. Culbertson's testimony.

Chairman TERRIL. Very well. Proceed with your witness, Mr. Ellis.

1242 RAY CULBERTSON was sworn and testified as follows:

Direct examination by Mr. ELLIS:

Q. With what company are you connected, Mr. Culbertson?

A. Pacific Highway Transport.

Q. In what capacity?

A. Traffic Manager.

Q. Have you made an appearance in this case in behalf of that company?

A. I did, yesterday.

Q. In what business is your company engaged, and between what principle points does it operate?

A. Common carrier, interstate and intrastate, between Bellingham, Washington, and Portland, Oregon, including Grays Harbor, branching from Olympia and Chehalis, and Willapa Harbor, branching out of Chehalis.

Q. Do you transport interstate freight from points in Washington to destinations in Western Oregon and in California, interchanging with connecting carriers at Portland?

A. We do.

Q. How long has your company been engaged in business in the territory where it now operates?

A. Well, our company was incorporated on—in December of 1930, when we purchased and bought out lines that operated in the same territory that I just described since 1921.

1243 By Examiner KEPHART:

Q. How many lines did you buy out?

A. Nine.

By Mr. ELLIS:

Q. What is the approximate quantity of equipment which you operate at the present time?

A. We are operating 124 units; that is, road haul and pick-up and delivery.

Q. In these 124 units, do you include the trailer as a unit?

A. I do; yes.

By Examiner KEPHART:

Q. How many trucks, and how many tractor and trailer units do you operate?

A. I think there are 87 trucks, if I remember correctly; the balance are trailers or semitrailers.

Q. And the tractors?

A. The tractor is included under "trucks."

By Mr. ELLIS:

Q. Are you able to state for the record approximately the volume of tonnage which you interchange with connecting carriers at Portland, which is destined or originates at points south, in Oregon and California?

A. No; I am not in a position to give you the amount of the tonnage; the approximate revenue, I can; that would be around $1,000.00 to $1,500.00 per month.

By Mr. BROWN:

Q. That is your proportion of the division?

A. That is right; it is our proportion.

By Mr. ELLIS:

Q. Now, will you proceed and state in your own way what your interest is in this proceed, and why you are participating?

1244 A. My interest is that we have at the present time connections with the Cascade Fast Freight. They operate in the same depot that we do in Portland, Oregon, in the south wing, and we are in the north wing; and we have solicitors at all of our stations throughout Western Washington, that is, west of the Cascade Mountains, soliciting business for and from California points. We are going out after that business, and have been for some time. There does not seem to be a preponderant tonnage in the territory, and if the Consolidated Freightways were granted a certificate, as they are applying for here—we have a selfish interest, you might say, because we believe that it would divert tonnage that we are now enjoying due to the fact that the Consolidated operate into Seattle and Tacoma and the principle trade centers of Western Washington, and naturally we would not have a concurrence with them, as they would not want to short haul themselves. And I think that is the whole reason why I am appearing here, and we further believe, or I do, that there is sufficient service.

By Examiner KEPHART:

Q. Do you mean by that, it would tend to diminish the volume of your traffic?

A. It would naturally diminish it, because they would certainly get some business that we now participate in. We have not had any complaints from the shippers as to delays, and there is a service operating directly, and that is the Los Angeles-Seattle Motor Express, and we find that, as a direct line, is pretty

1245 stiff competition. The time in transit is approximately the same and the rates are the same, and if the equipment of the connecting carriers was so that it could be transferred the same as their trailers could be transferred, to any of their northern carriers, thereby alleviating the possibility of a transfer—the tonnage has not been sufficient for that operation, except occasionally.

By Examiner KEPHART:

Q. Do we understand that you have no interchange of equipment with any other carrier?

A. Not with any other California equipment.

Q. You mean, California operator?

A. That is correct.

Q. You have an interchange in Washington?

A. Yes.

Q. Did you say you interchanged through trailer loads, or through truck loads with the Cascade?

A. No; but it would be possible if there was sufficient tonnage.

By Mr. ELLIS:

Q. If there was sufficient tonnage to justify an interchange of equipment to Southern California or Southern Oregon points, would you be willing to enter into such arrangements with connecting carriers with which you now have connecting carrier service?

A. Yes; we would.

Q. Has there ever been a sufficient volume of business for that type of interchange to cause you to give serious considera-

1246 tion to that proposal?

A. No; there has not been enough tonnage. We are ready at any time when there is sufficient tonnage, to make the transfer.

Q. Are you generally familiar with the service of other connecting carriers operating from Portland to Washington destinations?

A. You mean common carriers?

Q. Common carrier truck operations.

A. Yes; generally, as far as the territory we operate in.

Q. Can you state whether or not their situation is substantially the same as that which confronts your company so far as the connecting carrier situation is concerned?

A. I think so.

Mr. SCHAFER. I will ask that that answer be stricken.

Mr. BEROL. And I join in that objection on the ground that I had no opportunity to make an objection before he answered, and, on the further ground, that no proper foundation has been laid.

Chairman TERRIL. Will you read the question?

(Question and answer read.)

Chairman TERRIL. The objection is overruled. It will go to the weight of the testimony rather than the admissibility.

A. (Witness continuing.) Yes; I am familiar with the operations of our competing carriers between here and Seattle and between here and Bellingham, and I would say that the conditions are comparable.

1247 By Mr. ELLIS:

Q. Have you anything further to add to your testimony?

A. No; I don't believe so.

By Chairman TERRIL:

Q. What connecting carriers have you south of Portland to points in Southern Oregon and California?

A. Well, we connect as a member of the Pacific Inland Tariff Bureau with practically all operators that are operating under a certificate out of Portland into that territory.

Q. You have joint rates?

A. Yes.

Q. In connection with the Consolidated?

A. No; only in certain territories.

By Mr. BROWN:

Q. That does not include the territory on highway 99, south of Portland?

A. South of Portland we have no concurrence, due to the fact that we parallel each other's lines.

By Mr. BEROL:

Q. North of Portland?

The WITNESS. North of Portland, I believe the concurrence with Consolidated was cancelled by the Consolidated some three or four months ago. I believe, as far as the territory you cover on the Coast, that we have a concurrence; I am not absolutely sure of that.

By Mr. BROWN:

Q. Where do you have a concurrence?

A. We have concurrences into Eastern Washington from Bellingham and points north of Seattle. We have concur-
1248 rences, I believe into Southern Idaho points; and that is all I can recall.

By Mr. ELLIS:

Q. You have none south of Portland?

A. None south of Portland on 99.

By Mr. BROWN:

Q. Would the granting of this application divert any traffic from your line?

A. Due to the fact, if they got the business from San Francisco, they would bring it in on their through truck into Seattle; whereas other carriers, such as the Cascade, and, oh, the Pacific Truck Express, we have a concurrence with them, and they would deliver us freight here in Portland.

Mr. BROWN. I see.

Cross-examination by Mr. SCHAFER:

Q. The Pacific Highway Transport has 124 pieces of equipment, you say?

A. Yes.

Q. Who owns the Pacific Highway Transport?

A. The Pacific Highway Transport is owned by—the preferred stock—by a man by the name of Mr. Joseph Ryan, Mr. Middaugh, Mr. Thomas D. Fox of Seattle, and Mr. Names of Portland, Mr. Chase of Chehalis, and Mrs. Fox of Seattle.

Q. That is enough for the preferred stock. I was not interested in the preferred stock. I wonder if you can give us an idea who controls the common stock and bonds?

A. The mortgage is held by the Bank of Buffalo.

Exam. KEPHART. Buffalo, New York?

1249 The WITNESS. That is the mortgage.

By Mr. BROWN:

Q. Can you answer the question? Who owns the common stock?

A. No; I cannot answer that.

By Mr. SCHAFER:

Q. What is your opinion? You are the traffic manager?

A. Yes.

Q. What is your opinion as to where the ownership of the common stock lies?

Mr. HICKSON. I object to that as immaterial as to what his opinion is.

By Chairman TERRIL:

Q. Do you know who owns it?

A. No.

By Mr. SCHAFER:

Q. Do you know who you are working for?

A. Yes.

Q. How long have you been with that company?

A. Since it was organized.

Q. Have you been as successful as other carriers in your territory, in a financial way?

A. Yes, I guess we have; as good as the majority of them.

Mr. BEROL. Is counsel being serious in trying to embarrass the witness?

By Mr. SCHAFER:

Q. Can you state whether or not the Pacific Highway Transport has consistently made a net profit from its operations?

A. No; I wouldn't say that.

1250 Q. You wouldn't know that either?

A. No.

Q. You concur and operate out of the same terminal as Cascade?

A. Yes; we lease the terminal that they are in; a part of it.

Q. As I understand your testimony, if the Consolidated is permitted to operate through to San Francisco instead of through to Medford, you would expect to lose some traffic which you are not enjoying?

A. Yes.

Q. Do you think the public will benefit from that service?

A. We haven't had any complaints as to our service.

Q. You contend that a through, joint service, of several carriers is, in every respect, as efficient and as satisfactory as a through service by one carrier?

A. Well, we have been operating under that system for the last ten years, and we have found that we are not confronted with as many of the fourteen points as Mr. James.

Q. Has your California business been increasing?

A. No; I can't say that it has; I wouldn't say that it has been increasing.

Q. It is just about steady, or stationary?

A. Yes.

Q. You also have a concurrence through from Los Angeles and Frisco by means of the Valley Express and the Pierce Auto Freight?

A. That is from San Francisco.

Q. Where would the Valley Express Company come into San Francisco?

1251 A. I understand they bring it in from Fresno and Modesto, bring it into San Francisco and turn it over to Pierce and the Oregon-Nevada-California.

Q. You have had that concurrence how long? How long have you had that concurrence?

A. It has been a number of years. I believe it was prior to the Motor Carrier Act of 1935.

Q. Do you have personal knowledge of the Cascade's facilities, and so forth at San Francisco?

A. Yes, sir.

Q. Do you know how much solicitation of freight they put forth there?

A. I don't know; I correspond with one solicitor by the name of Edwards, and the carbon copies of my letters are to their manager at Los Angeles, and all leads and tracers are followed up by the local man in San Francisco. I never met him.

Q. Do you have any idea of the number of shippers that there are in San Francisco that ship over your lines from San Francisco?

A. Well, I have seen the list of them at various times, so far as leads are concerned; and I have a list, but I couldn't tell you how many there are.

Mr. SCHAFER. That is all.

Cross-examination by Mr. BEROL:

Q. May I ask, Mr. Culbertson, is it your intention to appear and testify in the application of the Oregon-Nevada-California Fast Freight when it comes up for hearing?

1252 A. No; it is not.

Q. Then I would like to ask you just one or two questions: can you tell me now as to the comparable amount of traffic that is handled between the San Francisco Bay on the one hand and Portland on the other hand, as between the combination of the Oregon-Nevada-California Fast Freight and the Consolidated, and by the Cascade Fast Freight?

A. To boil your questions down into one, how much of this does each one give?

Q. I will reframe it: Is the bulk of the traffic between the San Francisco area and Portland at the present time being handled by the Cascade Fast Freight or is it being handled by the Consolidated and the Oregon-Nevada-California Fast Freight?

A. Really, I can't answer that question honestly because I am not located in Portland.

Q. If I revise the question to cover the territory between San Francisco on the one hand and points north of Portland on the other hand, would you be in a position to answer it?

Mr. IVERS. I will object to that question on the ground that there are other carriers involved in the territory, and this question assumes that the traffic is handled by those two lines or combinations of lines.

Mr. BEROL. I am asking him for a comparison.

By Chairman TERRIL:

Q. Can you answer?

A. No; I can't answer. I don't know.

1253 By Mr. BEROL:

Q. Would your position with respect to an application be the same, as affecting a carrier who does not operate between Portland and Seattle?

Chairman TERRIL. What is that applicable to?

Mr. BEROL. I will reframe the question and make it more inclusive.

Mr. ELLIS. May I object before he goes any further on this?

Mr. BEROL. There isn't any question pending.

Chairman TERRIL. There isn't any question pending now.

Mr. BEROL. I might also state that I did not know at the time I refused to stipulate that Mr. Culbertson's testimony might be considered in the following hearing, just what his position was. If Mr. Ellis desires it to be made a part of the general stipulation, I will withdraw my objection.

Mr. ELLIS. The witness had understood that your case would be heard in San Francisco, and he had not considered the position of the Pacific Highway Transport in regard to it.

The WITNESS. I thought your case was to be heard in San Francisco. I was later advised that it would be begun again this afternoon.

Mr. ELLIS. So far as I am concerned, I am willing to stipulate that his testimony be considered in the other case.

Mr. BEROL. I am willing to so stipulate.

By Mr. BEROL:

Q. Mr. Culbertson, you are familiar with the application of the Oregon-Nevada-California Fast Freight?

A. That is, as much as I have heard of it. You are
1254 asking for a certificate through Medford into Portland and Vancouver?

Q. Into Portland as a direct scheduled service and into Vancouver as a on-call service.

A. That is what I understand.

Q. What we are proposing to do is to operate a through service between the San Francisco Bay area on the one hand, and Portland area on the other hand; as to traffic that may originate in California destined to points north of Portland, it will be our purpose to interchange with carriers serving that area. Now, under those circumstances, have you any opinion that you desire to express here as to whether or not the service proposed by the Oregon-Nevada-California Fast Freight would or would not be of any assistance to your company?

A. Well, let me state it this way: as far as service is concerned, yes; on the interchange on tonnage coming north into the territory. To be truthful, I was just a little doubtful in my mind about your Vancouver operations—Vancouver, Washington.

Q. Well, in order to explain that, that is only an on-call operation; that is the only proposal here.

A. Well, I can't see any reason for the Pacific Highway Transport to protest that.

Mr. BEROL. That is all. Thank you.

By Chairman TERRIL:

Q. Mr. Culbertson, do you have any records or any recollection that would enable you to say how much tonnage
1255 destined to Oregon and California points proposed to be

served by this applicant, and also by the Oregon-Nevada-California is turned over at Portland by connecting carriers?

A. I don't think I can give you the actual tonnage. I am on the Seattle platform every day, and the California pile is right below my office, and I watch the solicitors' reports quite regularly. We have shipments every day, but not in truckload lots. We have shipments of machinery and something of that kind; their shipments will run, anywhere, daily, from possibly 500 pounds up to two tons, I would say, that would be interchanged at Portland for California points.

Q. Would that include to Oregon points south of Portland?

A. No; I would not include the Oregon points. The Oregon points would be in addition to that, such as Salem, Eugene, Albany and Medford.

Q. Do you have any method of estimating the amount of that interchange?

A. Well, it is very light.

Q. Well, now, as to north-bound shipments, do you have any way of estimating how much would come in from California and be interchanged at Portland that you handle?

A. About five tons a day.

Q. From California?

A. From California.

Chairman TERRIL. I have nothing further.

1256 Mr. IVERS. I would like to ask one question.

Chairman TERRIL. Go ahead.

Cross-examination by Mr. IVERS:

Q. Did you testify as to whether or not you had a concurrence with the Los Angeles-Seattle Motor Express?

A. I did not—I don't know as I heard you.

Q. Did you testify whether you had a concurrence with the Los Angeles-Seattle Motor Express?

A. No; I didn't testify to that.

Q. Do you?

A. We have.

Q. Where do you concur with them?

A. At Seattle.

Q. For what points?

A. To all points on our line north of Seattle, as well as south of Seattle, including Chehalis, Grays Harbor, Willapa Harbor, Bellingham, Everett, and Anacortes.

Q. How much traffic do you handle on that concurrence?

A. Considerable traffic is handled on that concurrence with the Los Angeles-Seattle Motor Express.

Q. Daily?

A. Yes.

Mr. IVERS. That is all.

Redirect examination by Mr. ELLIS:

1257 Q. Have you had any difficulty in obtaining sufficient truck transportation service to points south, either in Oregon or California?

A. No.

Q. From the volume of tonnage which you interchange with your connecting carriers, do you know of any public need for additional carriers.

A. That is what I was here testifying against; I don't see any need for additional service.

Mr. ELLIS. That is all.

Re-cross-examination by Mr. SCHAFER:

Q. In answer to a question by Mr. Ivers, you stated that you had a concurrence with the Los Angeles-Seattle Motor Express. Can you state, or do you know definitely, where those shipments come from?

A. Yes.

Q. From where?

A. the majority of it comes from Los Angeles.

Mr. SCHAFER. That is all.

Chairman TERRIL. That is all, Mr. Culbertson.

(Witness excused.)

Chairman TERRIL. Are there any further witnesses in this matter here now? If not, we will stand adjourned until August 8th, at 9:00 o'clock a. m. at the Empire Hotel, San Francisco, California.

(At 12:05 p. m. the meeting adjourned until August 8th, at the Empire Hotel, San Francisco, as announced above.)

1258 Before the Interstate Commerce Commission

Docket No. MC 42487 (Sub. No. 15)

In the matter of the application, as amended, of Consolidated Freightways, Inc., of 2029 Northwest Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC-8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, over the following routes:

Route No. 1—Between San Francisco, Calif. and Medford, Oreg., via Arbuckle, Calif.

Route No. 2—Between San Francisco, Calif. and Klamath Falls, Oreg., via Arbuckle and Weed, Calif.

Route No. 3—Between the junction of U. S. Highway 40 with U. S. Highway 99W (West of Davis, Calif.) and Redding, Calif., via Marysville, Calif.

Route No. 4—Between Redding, Calif., and Lakeview, Oreg.

Route No. 5—Between Goshen, Oreg., and the junction of Oregon Highway 58 with U. S. Highway 97 near Crescent, Oreg.

Route No. 6—Between Marshfield, Oreg. and San Francisco, Calif., via Eureka and Santa Rosa, Calif.

1259 Docket No. MC 42487 (Sub. No. 18)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate, in the States of California and Oregon, between San Francisco, Calif., and Ontario, Oreg., via Woodland, Williams and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

Docket No. MC 42487 (Sub. No. 19)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif, and Marshfield, Oreg.

Docket No. MC 42487 (Sub. No. 20)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BFC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Medford, Oreg., via Woodland, Williams, and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

1260 SAN FRANCISCO, CALIFORNIA,
August 8, 1940, 9:00 A. M.

Before Joint Board No. 11: C. T. Terril, Chairman; Warren K. Brown, C. I. Kephart, Examiner.

Met pursuant to notice.

Appearances: Same as heretofore noted.

Additional appearances: William P. Ellis, 917 Public Service Building, Portland, Oregon, and George M. Roberts, U. S. National Bank Building, Medford, Oregon, appearing for John Paulsen and S. H. Peterson, doing business as Transcontinental Contract Carriers, protestants.

PROCEEDINGS

Chairman TERRIL. This is a continuation of the hearing of the application of Consolidated Freightways, Inc., of 2029 Northwest Quimby Street, Portland, Oregon, Docket No. MC 42487 (Sub. Nos. 15, 18, 19, and 20), which was continued from Portland, Oregon, on or about July 24, 1940, and set for a further hearing at this time and place by the Interstate Commerce Commission.

Gentlemen, are they any additional appearances to be
1261 entered in this matter at this time?

Mr. ELLIS. I have an additional appearance to make at this time. I want to enter the appearance of Mr. William P. Ellis and Mr. George M. Roberts, on behalf of John Paulsen and S. H. Peterson, a copartnership, doing business as Transcontinental Contract Carriers appearing as protestants.

Chairman TERRIL. Are you ready to proceed, Mr. Schafer?

Mr. SCHAFER. I am ready to proceed.

Chairman TERRIL. Call your first witness.

Mr. SCHAFER. I will call Mr. James.

LELAND JAMES was previously sworn and testified further as follows:

Direct examination by Mr. SCHAFER:

Q. Mr. James, you were asked to prepare a statement showing for the past 12 months the volume of business interchanged between Oregon-Nevada-California Fast Freight and Consolidated Freightways. That was to be broken down as to the schedules which you are now proposing to operate. Now, I have handed you a study which claims to be a break-down and I ask you if that is that study.

A. (Examining document.) It is.

Mr. SCHAFER. May this be identified as an exhibit?

Chairman TERRIL. It may be marked as Applicant's Exhibit No. 10 for identification.

(Exhibit 10, Witness James, marked for identification.)

1262 By Mr. SCHAFER:

Q. Now, referring to what has been marked as Exhibit No. 10. Mr. James, will you please explain it for the record?

A. The information contained in this exhibit was obtained by sorting the freight bills that accumulated in our office for the period shown by the exhibit. We allocated to each of the proposed schedules that traffic that would be handled by the schedule if the same traffic was handled under the proposed schedules. The main points handled on the north-bound Seattle schedule are Seattle and Tacoma, and the points north of Portland and intermediate to Seattle and Tacoma; the points west of Portland and points east of Portland to and including The Dalles.

The main points handled on the schedule marked "Spokane Schedule," would be Bend, Burns, points north of Bend, Lakeview, Pendleton, La Grande, Baker, points south of Arlington to and including John Day, Kennewick, points Kennewick to and including Yakima; the freight moving on the connections to Lewiston, Moscow, Walla Walla, and Eastern Washington points; and the freight moving on the connections out of Spokane.

The points included in the schedule marked "Portland Schedule," are the points of Grants Pass, Roseburg, Eugene and Portland, and the smaller points that are intermediate thereto.

1263 The points included in the schedule marked "Marshfield Schedule," includes shipments to Coquille and Marshfield, points in Oregon south of Marshfield and located on Highway 101.

Mr. SCHAFER. If possible, I would like to attach the south-bound schedule to the north-bound schedule and make one exhibit out of it, making a four-page exhibit.

Chairman TERRIL. I see no reason why that should not be done.

By Mr. SCHAFER:

Q. You may proceed to explain the south-bound schedule.

A. In these exhibits we show only two south-bound schedules: One from Portland and one from Marshfield.

The schedule from Portland would be operated in two sections, with the first section originating in Seattle and passing through Portland and returning to San Francisco via Klamath Falls.

The second section originating at Portland would proceed via Medford to San Francisco.

Since the greater part of the south-bound freight could be handled on either of these sections, these two sections are shown as one schedule.

The south-bound Marshfield schedule is shown as originating at Marshfield and operating over Highway 101 to San Francisco.

Attached to these exhibits are second pages showing the
1264 increase in amount of tonnage handled over all routes, both north-bound and south-bound. Some explanations are necessary to properly interpret these figures.

Business reaches its highest point in the fall of the year. Usually October is the high month. The figures for June 1940, are distorted by reason of a teamsters' strike at Oakland that stopped shipments from that point for practically the entire month.

In general there was a lot of work involved in the preparation of these exhibits as it required the sorting and listing of 119,503 freight bills.

Mr. SCHAFER. I might say to the Board that there were some 85 feet of adding machine tape run off.

By Mr. SCHAFER:

Q. Now, referring to the Seattle schedule in particular, Mr. James, does the exhibit and the other facts that you have at hand confirm your conclusion that there is a sufficient amount of business to justify the operation of the proposed schedule?

A. Yes. The exhibit shows a substantial and increasing backlog of business. The amount of business presently handled would be increased because by the inauguration of this schedule a 24-hour faster service would be rendered to points in Western Oregon, except Portland, and points in Western Washington including
Seattle and Tacoma; and besides that a through service
1265 will be inaugurated which is more acceptable to the shippers.

These figures do not take into consideration any traffic moving between San Francisco and Klamath Falls on the Reymers Line, which we are purchasing, and this traffic amounts to approximately 25 tons per week which may be handled on either the Seattle or the Spokane north-bound schedules.

Should there be a scarcity of traffic from San Francisco to the points regularly served by this schedule, north-bound Seattle schedule, other traffic can be diverted to the schedule. This other traffic would originate at Klamath Falls for Portland, or originate at Portland for Seattle.

Q. Referring to the next schedule shown on the exhibit, the Spokane schedule, does this exhibit and the other facts that you have at hand support your conclusion that it is practical to operate such a schedule?

A. Yes. The exhibit shows a substantial backlog of business at present, which will be increased by rendering a 24-hour faster service to points in Eastern Washington. This traffic will be handled over a route that is 150 miles shorter than the route that is being used at present and the service will be a through service.

At the present time the service to these points involves at least two transfers en route.

There is another source of tonnage for this schedule that is not shown by the exhibit, and which has not been
1266 previously mentioned. This is the tonnage moving between San Francisco and points in Montana. Our company is at the present time handling this traffic through Twin Falls, affording third morning delivery at Butte and fourth morning delivery at the other Montana points of Missoula, Helena, Great Falls, Shelby, Havre, Lewiston, and Billings. If this traffic is routed through Spokane every point in Montana will receive third morning delivery. This is a speeding-up of 24 hours to most of the points in Montana.

The present volume moving averages more than 15,000 pounds per day. That is between San Francisco and points in Montana. In my opinion the development of traffic over this route—I mean the north-bound Spokane route—has been retarted because there has never been any through service up to the present time and the best joint service involves a minimum of two transfers en route.

Q. Now, referring to the next schedule shown on the exhibit, the Portland schedule, what have you to add in explanation of that?

A. I think that schedule shows a sufficient volume of business to support the schedule. The exhibit itself shows that both the Oregon-Nevada-California Fast Freight and Consolidated, by dividing this business, can enjoy a healthy business over this route.

The exhibit shows that the volume of the business over
1267 this route is increasing and the shippers have told us that with the rendering of a through service the amount of shipping that they do between these points will be greatly increased.

A several hour faster service will be rendered to the points south of Portland on account of the elimination of delays at Oakland and Medford. No adequate through service serving all the intermediate points has ever been rendered over this route.

Q. Take the next schedule shown on the first page of Exhibit 10, the Marshfield schedule. What have you to say with respect to that route?

A. While this exhibit does not show a substantial backlog of existing business, the facts are the service that is being rendered discourages business on this schedule. Under our proposal first afternoon service, instead of second afternoon service, will be rendered to the principal Oregon points.

The present service involves a minimum of two transfers en route and to many points three transfers en route.

The business over this route has not been developed because a usable service has not been provided. We will operate a daily schedule over this route and in case there is not enough traffic to the points located on Highway 101 to fill our equipment we will fill out our loads by handling freight destined to Portland on this schedule.

1268 The traffic on all four of these routes will be increased as the population of the areas increase and as the amount of manufacturing on the west coast increases.

The amount of manufacturing on the west coast is steadily increasing. Many products that were formerly shipped in from the East are now manufactured on the Coast and shipped up and down the Coast. This particularly applies to the new industries.

Q. Now, the second page of Exhibit 10, I understand, carries out the total weight moving via all routes and back to 1938, is that correct?

A. That is correct; the total northbound tonnage over all the routes from January 1938, to May 1939. It is intended to show the growth in the amount of traffic.

Q. The first figure shown, being at the bottom of Sheet 2, is 745,795, and that is pounds, is it?

A. Yes.

Q. For the month of January 1938?

A. That is right—to 1,963,380 pounds for the month of May, 1939. Then our other exhibit picks up from that point and brings it up to June of 1940, where the volume has increased to 2,161,504 pounds, which was slightly under the tonnage for May on account of the strike at Oakland.

Q. Referring to the third page of Exhibit 10, the Portland southbound schedule, which you say will be operated in

1269 two sections, what have you to say with respect to these schedules?

A. In addition to the fine backlog of business indicated by this exhibit, there is a constant and substantial increase in southbound tonnage requiring refrigeration. The exhibit shows an increase from 388,000 pounds in July 1939, to 1,412,000 pounds in June, 1940, and the amount of traffic handled in June 1940, would have shown a still greater increase if we had had sufficient refrigerated equipment in operation to handle the business that was offered.

I am now referring to both Portland and Marshfield schedules.

Most of the traffic that moves southbound cannot be successfully transferred en route. A through service is necessary. It is also necessary to have available enough equipment to handle the shipments when they are offered.

If this application is granted we will be able to protect the southbound movement over these routes by diverting the return

equipment over the route where the heaviest loading is offered. The shippers will be given the advantage of the flexibility of truck service. The availability of such a service will increase the volume of traffic.

Mr. SCHAFER. I would like to offer Exhibit No. 10.

Chairman TERRIL. Any objection? (No response.)

It may be received in evidence and marked as Applicant's Exhibit No. 10 in this matter.

1270 (Exhibit 10, Witness James, received in evidence.)

By Mr. SCHAFER:

Q. Have you any comments to make, Mr. James, as to the effect, from your experience, of the granting of this application upon the existing carriers serving that territory?

A. Yes. I don't think that the granting of this application will result in the impairment of the ability of the existing carriers—and taking them up singly I would say with respect to the Oregon-Nevada-California Fast Freight, that our two companies will be advantaged by the granting of both of our applications. At the present time we are both proceeding heavily loaded to a common interchange point, experiencing many difficulties in interchanging the freight and returning to our home port. That traffic would be more economically handled and better handled if, instead of this joint service, two through services were established.

As to the Pierce Lines, which are rendering a through service, they are just getting started. They don't have an investment of any magnitude in San Francisco and they, in my opinion, will not be damaged materially by the granting of these applications.

That takes care of the two lines moving south of Medford.

South of Klamath Falls there is only one line besides the Oregon-Nevada-California Fast Freight, and that is Reymers' Line, which we have purchased, subject to the approval of

1271 the Interstate Commerce Commission.

As to the Pacific Truck Express, I understand now that it has been stated that the through truck service of the Pacific Truck Express will be withdrawn. So there surely shouldn't be any impairment there.

As to the Central Transfer, they are largely doing a local business and only recently have established through rates, and they are handling no substantial volume of through traffic. Therefore, they cannot be very greatly hurt by any other carrier taking the through traffic.

As to the other through carriers, most of which operate straight through from Los Angeles, particularly the Los Angeles-Seattle

Motor Express, they haven't a substantial investment in San Francisco nor a substantial business in San Francisco.

The same applies to Colletti Fast Freight and Cascade.

The general effect of Consolidated's competition in other territories has not been to destroy competition in that territory. I think it is a matter of common knowledge that there are other competitors in practically every bit of territory we serve, and as a usual thing these carriers are prosperous.

For instance, we have competition through the Central Oregon route down to Bend and Klamath Falls, and the carrier competing with us in that territory is very prosperous.

1272 There are eight or nine carriers between Portland and Seattle, and as a result of our competition there has been no serious disadvantage to those particular carriers.

We have carriers competing with us from Portland to Eugene and they are prosperous carriers.

The same applies on many other routes, on even the longer routes from Minneapolis to Montana.

Mr. SCHAFER. If the Board please, another thing we agreed to do at Portland was to furnish for the record a copy of the by-laws of the Freightways organization. I have insufficient copies to pass around among the protestants, but I do have a copy which they may examine at their leisure. I have two copies here, in fact, that could be examined by protestants.

I understand that this isn't to be an exhibit.

These copies were already prepared as spare copies and it will be quite a chore to run the whole thing again.

I do not know how you want to handle this, whether you want to put it in the record without a number or not.

Chairman TERRELL. I will leave it to the tender mercies of the protestants as to what they may have in mind.

By Mr. SCHAFER:

Q. I have handed you a statement, Mr. James, purporting to show the number of shipments and tonnage handled in the month of May 1940, from Northwest points on lines of Consoli-

1273 dated Freightways to points in California intermediate to San Francisco and Oakland on the routes applied for. I will ask you if this is that statement.

A. (Examining statement.) It is.

Mr. SCHAFER. May it be marked, please?

Chairman TERRELL. It may be marked as Applicant's Exhibit No. 11 for identification.

(Exhibit 11, Witness James, marked for identification.)

By Mr. SCHAFER:

Q. Is this exhibit self-explanatory, Mr. James?

A. I believe it is. It only shows the south-bound movement of shipments to intermediate points and doesn't show the north-bound movement that might originate at those intermediate points for Northwestern points; but it indicates the volume of traffic moving to those intermediate points.

Q. Would you say May would be a typical month?

A. May would be an average month. The high month would be in the fall.

Mr. SCHAFER. I will offer Exhibit No. 11.

Chairman TERRIL. Any objection? (No response.)

It may be received and marked as Applicant's Exhibit No. 11 in evidence in this matter.

(Exhibit 11, Witness James, received in evidence.)

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

1274 Q. Referring to your Exhibit 10, Mr. James, I am correct in my understanding, am I not, that all of this is tonnage which you interchange with Ore[illegible]n-Nevada-California Fast Freight at Medford at the present time?

A. That is correct.

Q. And it does constitute the present available tonnage which would be divided between the two carriers in the event both applications would be granted?

A. That is correct.

Q. Now, as to the Marshfield schedule north-bound; I understand it to be your plan to serve the Marshfield area in the handling of that traffic by a truck starting from Medford loaded with Marshfield and Portland freight and interchange, or load or unload freight at Roseburg?

A. No. That is the way it is being handled at present. The proposal is to handle that freight by loading it at San Francisco, moving it up over Highway 101 through Coquille and Marshfield, thence to Portland.

Q. But that schedule, in order to have a load, would have to move on to Portland eventually?

A. The exhibit indicates the comparatively small amount of business now moving from San Francisco to the points that we have allocated to this schedule. However, the only points that have been allocated to this schedule are the immediate points of Coquille and Marshfield. Points south of Coquille and Marsh-

1275 field were not allocated to this schedule, and we had no way of adding them in. The new schedule will serve additional points. Then if there is not sufficient business

on any day to justify the operation of a truck and trailer over 101 we would fill it out with Portland freight.

Q. How much would you consider necessary to make that an attractive load?

A. We don't like to operate trucks with much less than ten-ton loads; that is 20,000 pounds.

Q. And to begin with, at least, the difference between 20,000 pounds and the 3,731 pounds would consist of Portland freight?

A. It would consist of Portland freight and of freight that would be destined to points south of Marshfield and Coquille. We had many witnesses in from Brookings and Gold Beach, and those points there, that testified as to the tonnage available at those points. Those points are not shown on this schedule.

Q. As I understand it, however, you do not anticipate handling a large amount of local north-bound freight over 101?

A. We anticipate handling north-bound freight out of San Francisco to all points in Oregon, but the only two points in Oregon shown on this schedule are the particular points of Coquille and Marshfield The other points are not incorporated in this schedule, and from those other points we will get additional business.

Q. If I recall your testimony, or that of some of your employes, it was indicated that you expect to handle very
1276 little local freight to points on 101 short of Coquille and Marshfield. Do you desire to change that?

A. I think you are confused. Our statement was that on south-bound traffic we would interchange that with a local carrier at Marshfield. If you will remember the south-bound schedule was scheduled to arrive in Marshfield south-bound from Portland early in the morning and lays there 12 hours while the local carrier moves immediately out of Marshfield and he would handle that local Oregon intrastate business. But the interstate business we propose to handle.

Q. How would you handle the Portland freight that came into Marshfield on this particular schedule? How long would it lay over in Marshfield before going on to Portland?

A. There is no layover on the north-bound schedule. It arrives in Portland for second-morning delivery.

There is another factor that I neglected to mention in connection with the Marshfield schedule. Oftentimes there are heavy loadings from Marshfield to Portland and in that event this schedule can be used to handle that traffic.

Q. Now, on the south-bound Marshfield schedule; would that also be a schedule starting at Portland in order to provide sufficient tonnage?

A. That schedule starts at Portland and proceeds to Marshfield and lays over there from early morning until noon. But we don't anticipate handling any Portland shipments to
1277 San Francisco on account of the extremely heavy loadings at Marshfield itself. If you will look at the schedule you will see that there is a heavy average movement from the Coast country into San Francisco. I think, as a matter of fact, it is going to be necessary for us to divert some extra schedules that might move up over 99, or other routes, down over that route, to handle the additional traffic.

Q. If you were confined to the tonnage that you now handle south-bound from Marshfield you would need another 10,000 pounds of traffic to make it pay, wouldn't you?

A. No; that isn't true.

Q. You wouldn't operate on 6,834 pounds, would you?

A. Well, when you get to these averages at the bottom they are very confusing. You see, that schedule started in July with only 1,000 pounds on it. We didn't put refrigeration equipment on until May or June of 1940. Immediately it jumped up from 19,000 to 24,000 pounds. There is just lots of traffic available there if the equipment is furnished to handle it. In fact, we haven't been able to supply the demand for equipment on that route.

Q. Referring to the south-bound break-down of Exhibit 10, do I understand that you combined your Seattle, Portland, and Spokane traffic under the one Portland heading because of the immense amount of detail necessary to break it down?

A. No; that wasn't the sole reason. If you remember
1278 those schedules you will remember that the north-bound schedule that is headed "Spokane" is moved into Spokane as a through schedule to Spokane, but returned as a local; so while we have four north-bound schedules we only have three south-bound. Of those three south-bound one of them originates in Seattle and the other originates at Portland. The one at Seattle arrives at Portland about 3:00 a. m. in the morning and immediately proceeds to San Francisco via Klamath Falls. The other one clears five or six hours later and goes by way of Medford. Both of those are taking Portland traffic to San Francisco because their arrival time at San Francisco in both cases is the following morning. The fact that practically all of the tonnage could be handled on either one of those schedules is our reason for combining in one schedule and showing a first and second section of one schedule.

Q. In going over the list of carriers that are now operating in the territory you overlooked any comments concerning Transcontinental Contract Carriers. Are you familiar with their operations?

A. Yes; I am. I overlooked them because I didn't think they were protestants in this case, but I notice your appearance made them protestants in this case. They are a contract carrier south-bound and a common carrier north-bound on a limited list of commodities. They only propose, in their new application, as I
1279 understand it, daily service for 10 months of the year.

Q. Are you prepared to say that your operations over 101 would not seriously infringe on the traffic which they are now handling, both north-bound and south-bound, between here and Coos Bay points?

Mr. SCHAFER. If the Board please, on that point, we are here concerned with public convenience and necessity, and I do not know of any case where the impairment of a contract carrier who does not serve the public, but only people whom it chooses to contract with, has any bearing in a public convenience and necessity case. This contract carrier can choose who he will serve. He can serve Johnson, or tell Johnson that he won't handle his products. He is not the type of carrier that the Motor Carrier Act considers in a problem of public convenience and necessity. We propose to serve the public in that area.

Mr. ELLIS. He is a common carrier in one direction.

Mr. SCHAFER. I am talking about south-bound.

Mr. ELLIS. The witness may confine his answer to the north-bound traffic handled by Transcontinental Contract Carriers if he desires.

A. In that limited list of commodities that he is authorized to perform a common carrier service on we would be competitive and to that extent.

By Mr. ELLIS:

1280 Q. Your comment as to the Pierce operation was that it had just got started and did not have an investment of any magnitude in San Francisco. You refer to terminal facilities, I assume, primarily?

A. Even rolling stock.

Q. Do you know why the daily service of Pierce in San Francisco has only recently been inaugurated?

A. No; I do not.

Q. Were you not familiar with the fact that that was controlled largely by the protests and persistent opposition which your company has presented in urging that convenience and necessity did not require a through service between Portland and San Francisco?

A. I did not know that.

Q. Is it not a fact that your company has, in very recent months, appeared repeatedly in the Pierce case contesting any

public convenience and necessity for the operation of a through service of that company between Portland and San Francisco?

A. That is not true.

Q. Can you tell us when your company's policy in that respect, as to the Pierce application, was changed?

A. Our policy was changed in respect to the Pierce application immediately after the decision of Division Five on the Pierce application. Our protest runs to the establishment of Pierce service between San Francisco and Eugene.

Q. That is your present position?

1281 A. That is right.

Q. Is it not a fact, however, that you filed a petition for rehearing of the case on all points subsequent to the decision of Division Five?

A. Not on behalf of our company, we did not. Speaking in particular, this section from Medford to San Francisco, we have no protest or no quarrel with the decision of Division Five in granting that application.

Mr. ELLIS. That is all.

By Mr. HICKSON:

Q. Have you your Exhibit No. 10 there, Mr. James?

A. Yes.

Q. Directing your attention to Applicant's Exhibit No. 10, particularly the exhibit showing the north-bound movements, do I understand you that that 3,731 pounds shown in blue under "Marshfield Schedule," represents all the tonnage moved by your company over the period of one year?

A. No. That figure, 3,731, shows the average daily tonnage.

Q. That is what I meant, over a period of a year.

A. Over a period of a year, correct, to Marshfield and Coquille only.

Mr. ELLIS. That is pounds and not tons?

Mr. SCHAFER. It says "Average lbs. per day." Is that what it means?

The WITNESS. That is right.

1282 By Mr. HICKSON:

Q. Did you say, Mr. James, that that includes only the tonnage moving to Marshfield and Coquille?

A. Correct.

Q. Does it also include north of Bend?

A. Yes.

Q. And Myrtle Point—you serve them on this schedule, don't you?

A. Yes; that is right. They are all in a group there.

Q. Those four points?

A. Yes.

Q. It is also true, is it not, that all of the tonnage moving to the points south of Coquille would move through Coquille?

A. You mean at the present time?

Q. Yes.

A. I am not familiar with that, but I think that is true.

Q. Then it is a fact, is it not, that this average that you show here, 3,731, represents the tonnage moved by your company, the average tonnage per month or per day, into that whole territory?

A. Into the territory immediately adjacent to Marshfield.

Q. It would include everything from North Bend, Marshfield, Coquille and all points on 101 clear to the California line, wouldn't it?

A. No. That was not my understanding. It only included the tonnage to Marshfield and North Bend and to points im-
1283 mediately adjacent to Marshfield and North Bend.

Q. Where at the present time if you had a movement to Bandon from San Francisco it would move to Coquille, would it not, and be transferred there to a Bandon truck of the Central Transfer?

A. I am not sure about that.

Chairman TERRIL. There seeems to be an undertone of talk which make it difficult to understand up here. I do not like to be impatient but I do want to hear.

Mr. SCHAFER. I think that it would be safe to stipulate that this exhibit includes tonnage turned over to Central Transfer at Coquille.

The WITNESS. How far south would they move it?

Mr. SCHAFER. Whatever they handle.

The WITNESS. I don't think so. This was made up under my instructions and it was just Marshfield and Coquille. They may have included Myrtle Point, but if so they used their own judgment.

By Mr. HICKSON:

Q. I want to know if that figure includes shipments that moved through Marshfield or Coquille for such points as Langlois and——

A. (Interrupting.) I don't think it does because my instructions were specifically to include in this schedule shipments to Marshfield and Coquille. They may have added North Bend because that is a subagency, and Myrtle Point, a subagency.

1284 Q. It is your undertsanding that the exhibit includes movements to Marshfield, Coquille, Myrtle Point and North Bend?

A. Such shipments as we would manifest to Marshfield and the territory immediately adjacent to Marshfield.

Q. We are agreed on that. What would you say, Mr. James, as to whether or not in your opinion the tonnage moving into those four towns would greatly exceed, many times exceed the tonnage that would move into such points as Bandon, Langlois, Gold Beach, and points down the Coast on 101?

A. The heaviest population is right at these points.

Q. Can you tell us in a general way what the population of North Bend is?

A. No; I can't. I think there is an exhibit here that shows that.

Mr. HICKSON. There will be one showing that?

Mr. SCHAFER. No. It will be for two counties, the principal cities being Marshfield, Coquille and North Bend, showing a population of 31,630. We will introduce an exhibit later covering that.

Mr. HICKSON. Will you have an exhibit showing the population of Curry County?

Mr. SCHAFER. Not separately.

Mr. HICKSON. You will agree by far the heavier movement into those four points?

Mr. SCHAFER. Just a minute. We have a preliminary
1285 population here on counties in Oregon.

Chairman TERRIL. Here is a map, Mr. Hickson.

Mr. HICKSON. Will you stipulate, Mr. Schafer, that the population shown on the new census, Oregon State map here [indicating], is approximately correct?

Mr. SCHAFER. I have here a newspaper clipping showing a preliminary population figure for Curry County, 1940, of 4,394, an increase of 1,137 over the 1930 figure, or an increase of 34.91 percent.

Mr. HICKSON. How about Coos County?

Mr. SCHAFER. 32,341 for 1940, as compared to 28,373 for 1940, an increase of 13.99 percent.

That is merely a preliminary population figure.

Mr. HICKSON. So the population of Coos County approximates eight times that of Curry County at the present time?

Mr. SCHAFER. Correct.

By Mr. HICKSON:

Q. So, Mr. James, with that in mind we wouldn't expect a great volume of tonnage moving into those Coast points in Oregon south of Coquille, would we?

A. On this joint service I would expect a very small volume. On through service I would expect a substantial volume.

Q. You testified, I believe, it was your opinion that the faster service that you proposed to inaugurate would create new or

additional tonnage. Just what new and additional tonnage would you get out of the Coos Bay area isn't moving
1286 now?

A. I can't answer your question specifically because I don't know whether you want the character of the freight.

Q. Yes; I would like to know what tonnage you expect is going to move, whether cheese, butter, whetstones, or what.

A. There will probably be a considerable increase in the shipment of cheese and butter south-bound. As I understand it, you are not inquiring about north-bound.

Q. Do you mean there will be a considerable increase in the movement over your line, or more cheese shipped to San Francisco?

A. More cheese and butter shipped to San Francisco. This market will be more available to the growers there, or producers there, and there will be more shipments made.

Q. How do you figure the market will be more available to the shippers when you now have two contract carriers hauling that cheese out of the Marshfield area?

A. I don't think we have two contract carriers, and I don't think they are equipped to give adequate service.

Q. Did you ever hear of J. L. Foster, contract carrier?

A. Never did.

Q. You didn't know he was hauling cheese out of Marshfield and Bandon?

A. No. All I know is that the shippers down there demand from us more equipment than we can supply. They are
1287 doing it at the present time.

Q. Your answer is you think there will be more cheese and butter moved out of that area to San Francisco?

A. Correct.

Q. What else will show an increase, in your opinion?

A. Practically all of the products that are produced there—Venetian blinds moving, battery separators, wood products of one type and another.

Q. Where are they moving to now?

A. There will even be an increase in production on those because they will be able to get into the market to better advantage.

Q. Where are they sold now?

A. Where are Venetian blinds sold now?

Q. Yes.

A. Shipped almost everywhere.

Q. Is it your opinion that there will be an increase in the manufacture because you put a service into San Francisco over 101?

A. I think that is correct. As better transportation service is

afforded there is better distribution afforded and there is always an increase in commercial activity.

Q. Look at your Exhibit 10, on your south-bound movement, under the Marshfield schedule. I call your attention to the column headed "Total Weight," and I direct your special
1288 attention to the month of June for 1940 when there was moved 603,666 pounds. Do you find that?

A. Yes.

Q. And in May, 499,000 pounds.

A. Yes.

Q. I call your attention to the fact that when you get to March it drops down to 33,000 pounds, and December down to 31,000 pounds. What would you say as a traffic man as to whether or not that kind of movement would lend itself to a daily schedule that you are proposing here?

A. This exhibit is an exhibit prepared from the shipments that have been handled on a joint service. I am not familiar with when we had refrigerated equipment available for the Marshfield territory. The months that you have pointed to I am not sure that we had the equipment available at that time.

Q. Those large movements I have directed your attention to, those are the result of cheese movements, are they not, cheese and butter?

A. Cheese and butter. Our experience in other territories is that cheese and butter shipments continue practically the year 'round.

Q. In fact, that is the movement you are going to depend on almost entirely to support a south-bound schedule, isn't it?

A. No; that isn't true.

Q. Well, Mr. James, supposing the Commission agreed
1289 with you on your 14 points and they gave you a certificate to operate over 99 through Medford, couldn't you give the shippers at Coquille, Marshfield, Myrtle Point, and North Bend just as fast service, and even better service than you could by operating over U. S. Highway 101?

A. No; I don't think that is correct.

Q. You don't agree with that?

A. No.

Q. Why not?

A. Because the mileage is shorter over 101, the grades are more favorable over 101 and it is a logical route over which to serve that territory.

Q. Mr. James, I understood Mr. Snead in Portland to testify, when asked how he was going to give his hot-shot schedule over 101 between San Francisco and Marshfield, to say that you only proposed to serve six points on that whole route, six or seven points.

I would like to have some agreement between you and Mr. Snead as to what points you are going to serve, and how you are going to serve them, between San Francisco and Marshfield.

Mr. SCHAFER. I don't think that is correct. I think that is clear in the record. I think it is a misstatement. The testimony in this record is that we propose to serve all points intermediate in Oregon to Marshfield or to Coquille, where our present system
1290 ends. He testified further that there are only about six points in Oregon south of Coquille.

Mr. FARRENS. That does not correspond to my memory of the record because he explained he was going to rely on local carriers to serve a good many of the local points and that in that manner he would be able to obtain the speed of the schedule which was proposed in the through service.

Chairman TERRIL. If the memory of the Joint Board is correct on this we had this same argument once and Mr. James, when he returned to the stand, stated definitely as to the points that he was intending to serve in Oregon on 101.

Mr. HICKSON. I am clear on that, what he said he would serve this morning.

Chairman TERRIL. I wouldn't want to say what those points were, but I remember he testified definitely as to what they were, what they proposed to do in Oregon on 101.

Mr. HICKSON. I want to know what he wants to do over the whole route. If he is going to pick up in Oregon and serve all points south of the California line, and pick up in California and serve points in Oregon, I want to know what points he is going to serve. If he is going to pick out certain points, I want to know what they are; or if he is going to serve them all I want to know how he is going to do it.

Chairman TERRIL. Just to save time let Mr. James answer to the points he proposes to serve and that will clear the
1291 whole record.

Mr. SCHAFER. It is repetitious. It has been clearly covered.

A. North-bound from San Francisco we will pick up shipments destined to points in Oregon at all points in California located on 101 north of San Francisco and we will deliver in Oregon to any point in Oregon all the shiments that are on that truck.

By Mr. HICKSON:

Q. You would render a service to any point on north-bound movements starting at the State Line to all points up 101 until you get to Coquille?

A. Correct.

Q. Do you know how many points are in there, Mr. James?

A. Well, Jack, I couldn't tell you just how many points there are, but either you are awful dumb or you pretend to be, because you know you don't get shipments to every point every day; you know that.

Q. I understand that. You are going to hold yourself out, however, to deliver freight at any one of those points between?

A. Correct. But a truck handles 10 tons; five 2,000-pound shipments is 10 ton, and if you had five-ton shipments it would only take two shipments to fill the truck. The truck isn't stopping and peddling freight at every station.

Q. I don't believe that it is going to stop at every station,
1292 but you hold yourself out to render service to every one of those points?

A. Yes, sir.

Mr. SCHAFER. It is now in five times. Can we have it settled?

By Mr. HICKSON:

Q. Do I understand that you would pick up at all those points and carry freight to points in California if offered?

A. Yes.

Exam. KEPHART. If a larger quantity was offered would you use a larger truck?

The WITNESS. No. The trucks are all of a size. If more than the amount that we can handle in a truck is offered we run a second section.

Exam. KEPHART. The same day, following immediately behind?

The WITNESS. A second section following immediately; yes.

By Mr. HICKSON:

Q. Now, Mr. James, in testifying concerning the effect of your service on existing carriers Mr. Ellis pointed out that you didn't mention the Transcontinental. I believe you covered them. You didn't mention J. L. Foster and I believe you stated you didn't know of that carrier.

A. You said he was a contract carrier.

Q. Do you know of the Butler Freight Service?
1293 A. No.

Q. You don't know of them?

A. No.

Q. Do you know of the Redwood Motor Freight that operates over 101?

A. No.

Q. Do you know about the Eureka-Garberville Truck Line that operates over 101?

Mr. SCHAFER. I object to the recitation of the carriers again. If protestants are prepared to put it in it is all right.

Mr. HICKSON. We want to know if he took them into consideration in his answer.

Chairman TERRIL. Let us have the answer.

By Mr. HICKSON:

Q. You didn't consider them?

A. No.

Q. Nor the K. & L. Truck Line that operates over to Crescent City from Grants Pass?

A. No. I don't think that they handle the same traffic.

Q. I believe you said that it was your opinion that most of these carriers mentioned were prosperous and they couldn't be hurt. Do you happen to know what the profit and loss amount of the Central Transfer Company was for 1939?

Mr. SCHAFER. That is a false statement, too.

Mr. HICKSON. I am going to get sore if you continue
1294 saying everything I am saying is false and misstating the record. It is not false.

Mr. SCHAFER. I ask the Board to give me an opportunity to make my objection. Mr. James' statement clearly was that the carriers with whom he now competes and has competed over a number of years past are doing all right and prospering. Now, he didn't say anything about the financial condition of the carriers that he has not yet competed with.

By Mr. HICKSON:

Q. Let us have an understanding as to whether you were considering the Central Transfer in that statement.

A. I will go even further than my own counsel. I don't think that, honestly don't think that Central Transfer would be hurt one iota. If they are in a bad financial shape I don't think it would improve their financial condition in particular, but I don't think they will be hurt because our experience in competing with carriers has been that there is usually two classes of traffic; we get one class and they retain the other. The small carrier has quite an advantage over us in securing purely local traffic. We serve many points, we serve long hauls. That traffic usually is not very profitable to a local carrier. Most of the local carriers have prospered in competition with us.

Q. You will admit, won't you, that on any tonnage moving on a through schedule from San Francisco to Marshfield
1295 or Coquille, or any of those points in Oregon, which is now enjoyed by the Central Transfer Company, you would take at least a portion of that tonnage?

A. I would say this: that they have only recently put in through rates. They usually handle those shipments so poorly

that they lose their customers as to the local traffic by attempting to stretch out and handle through traffic.

Q. You would get some of that tonnage, would you not, if you put in your service?

A. Yes.

Q. And the same thing would be true on anything that you would pick up in Oregon moving through Crecent City to California? If you got a shipment of wool, or cheese, anything that would be moving through Crescent City, Central Transfer and Butler would lose a portion of that traffic moving south?

A. I don't think that is anything to be disturbed about because it isn't a substantial part, profitable part of the business; it is more of a nuisance than anything else.

Q. They would lose a portion of that traffic, wouldn't they?

A. Possibly.

Q. Just one thing occurred to me and I would like for you to clear the record on it. Is it your intention, if granted rights over 101, to do this: Supposing that you had a situation at Portland where you have freight left over for your south-bound
1296 schedule to San Francisco. Is it your intention to use a truck from Portland to Marshfield and then fill in with freight from Marshfield south-bound over 101? Do I make myself clear?

A. Yes; that is the plan of operation. The south-bound schedule from Portland that moves through Marshfield will be loaded with freight from Portland to Marshfield and discharge its freight at Marshfield. It will be full from Portland to Marshfield. At Marshfield it will be loaded to San Francisco.

Q. Would there be Portland freight on that truck that leaves Portland—I mean, would there be San Francisco freight on that truck that leaves Portland for Marshfield?

A. No.

Q. In no instances?

A. It would be on very rare occasions where that would be the case because that schedule is slower than the other south-bound schedule.

Q. What I am getting at is this: If it wasn't your intention, if there was freight left over there, instead of running another schedule or another section of a schedule out of Portland over your regular route down 99, that you would run it on the Marshfield truck and fill that truck with freight to San Francisco?

A. We hadn't planned to do that.

Q. Consolidated has no intrastate rights south of Coquille, have they?

1297 A. No.

Q. You couldn't serve any of those local points?

A. No.

Mr. HICKSON. That is all I have.

Chairman TERRIL. We will recess at this time.

(Whereupon short recess was taken after which proceedings were resumed as follows:)

Chairman TERRIL. We will be in order, gentlemen.

By Mr. IVERS:

Q. Mr. James, when did Consolidated begin its Portland-Seattle operation, what year?

A. I can't tell you.

Q. Have you any idea?

A. Oh, approximately about 1931.

Q. 1931 or 1932?

A. Somewhere around there.

Q. How many of the competing carriers on that run have gone out of existence through bankruptcy or receivership since you began your operation?

A. I don't know.

Q. Would you agree with me that it is three or four?

Mr. SCHAFER. I ask that the question be clarified. Everyone, of course, knows that carriers have started up and quit over a period of years between here and Seattle. That question is not fair unless you confine it to operations that were in existence prior to 1930.

1298 Mr. IVERS. I shall so confine my questions.

By Mr. IVERS:

Q. Would you agree with me there were three or four such incidents at the time you commenced operations which have since gone through bankruptcy or receivership?

A. I only remember two.

Q. Which two do you remember?

A. They really haven't gone out of existence. I remember Portland-Seattle, and Ewings. They really changed hands.

Q. There was Truck Transport, Inc.?

A. That is completely out of existence now, is it not?

Q. I don't know.

A. Have they been taken over by another line, the rights kept alive?

Q. Well, do you know?

A. I don't know.

Q. How about the Puget Sound-Portland?

A. I don't know about that.

Q. Were they in operation at the time you started?

A. No; they weren't.

Q. They were not?

A. They came in subsequent, if I remember right.

Q. Are you sure your memory is clear on that?

A. Yes; it is quite clear on that one because I believe they were an offspring of the Transfer Company and it originally terminaled with us in Seattle.

1299 Q. Now, you spoke of a demand for additional equipment in the Marshfield area that you have not been able to supply. How long has that demand been in existence?

A. I was speaking of the present time.

Q. Well, how long?

A. This last 30 days.

Q. That demand has been created within the last 30 days?

A. No; the demand has been felt by us within the last 30 days.

Q. And is it your opinion that it has existed prior to this time?

A. Yes, it is.

Q. How did it happen that you failed to know of the existence of that demand until just within the last 30 days?

A. Well, up until recently we didn't have any refrigeration equipment there to offer.

Q. Why not?

A. Why not?

Yes.

A. We just didn't construct any equipment; didn't have any.

Q. Did you know that there were products in that area available for movement requiring refrigeration?

A. I think we completely overlooked the fact that there were products in that area. The business doesn't seek you out; you seek the business out.

1300 Q. And until you became interested in sustaining this application you paid no attention to the fact that there might be such products for movement there?

A. That is correct. The shippers didn't come and ask us for service, but as soon as they found such service would be available they have asked for it now.

Q. And under the present operation you were not interested then in attempting to develop traffic that might be available?

A. We would have been interested if we had been live enough to have discovered the fact that there was traffic available there.

Q. So if you haven't moved it in the past it has been due to your own negligence, is that right?

A. I think that is very largely true.

Q. Have you any reason to believe that you would be less negligible if you instituted a new operation than you have been in the past?

3. When you start giving a direct service into a territory you usually explore all the traffic that is available there. You

are really not as interested in developing business for joint operation as you are in developing business for your through operation.

Q. Is that the general policy of Consolidated Freightways?

A. No; that isn't a company policy, but a tendency on the part of employees. You have a hard time whipping into them the same enthusiasm for a joint service that you have for their
1301 own service.

Q. In spite of the fact that you participate substantially in that joint service?

A. That is correct. That is a difficulty we have with joint service.

Q. Does that difficulty run throughout your entire organization?

A. In ours and other organizations, it has been my experience.

Q. Do you feel you are in a position to speak for other organizations?

A. I think I am.

Q. You do?

A. Yes, on that point.

Q. You made the statement that the Los Angeles-Seattle Motor Express had no substantial business in San Francisco. Are you prepared to indicate the monthly or annual volume of the business that the Los Angeles-Seattle Motor Express is handling in and out of San Francisco?

A. No; I am not.

Q. Have you had any such information available to you as a basis of making that statement?

A. Yes. I have had that common information that comes to any person who is engaged in competition with another that comes to you in the course of ordinary dealings. That firm has not been active in this town in the solicitation of business. They
1302 are not a factor in this town, have not afforded a service that attracted many shippers. The bulk of their business has been handled over joint service.

Q. Have you been active in San Francisco during the period of that joint service on the San Francisco end of the operation to acquire definite knowledge concerning matters of that kind?

A. Have I personally?

Q. Yes.

A. Yes. I have kept reasonably awake.

Q. You have kept a little more reasonably awake with respect to what has been happening in San Francisco than what was happening in Marshfield, which is on your own line?

A. I could hardly make a comparison.

Q. I didn't think you could.

A. I am more frequently in San Francisco than in Marshfield.

Mr. IVERS. That is all.

By Mr. FARRENS:

Q. Yesterday in the Oregon-Nevada-California case, Mr. Gritsch testified that in the event both of the extensions were granted that he would expect his line to retain a least 65 percent of the north-bound business now interchanged between the two lines. Would you confirm that estimate?

A. That is a very difficult estimate to make. A common service is handicapped in some respects as a joint service. In order
1303 to have the service acceptable to a shipper both carriers must be acceptable to the shipper. There would be undoubtedly a lot of business that the Oregon-Nevada-California Fast Freight would get that our joint service now doesn't get on account of prejudice that may exist in the minds of shippers against our portion of the service and the reverse is true. There will be an increase in business——

Q. (Interrupting.) Let me interrupt you there. You are fully cognizant of the fact that I didn't ask you about new business. I asked you about existing business and I told you that Mr. Gritsch testified that he expected to retain at least 65 percent of that business and that he would lose approximately 35 of the existing business to you. Will you please answer my question?

A. What is the question?

Q. As to whether you could confirm that estimate.

A. Well, I wouldn't confirm the estimate. I think it is purely an estimate.

Q. It was offered as such. What is your estimate?

A. My estimate is about 50–50.

Q. Yesterday Mr. Gritsch estimated that if both extension applications were granted you would retain approximately 65 percent of the south-bound business and he would get approximately 35 percent of it. What is your estimate on that question?

A. I would disagree with Mr. Gritsch's estimate to the
1304 extent that I think it would be 50–50.

Mr. SCHAFER. Louder, please.

By Mr. FARRENS:

Q. Now, returning to the question of new business, if both extensions were granted where would each of the two companies get its new business?

A. From the shippers.

Q. Shippers who are now doing what?

A. Shipping by other means.

Q. So that you would expect your new business to be taken away from existing transportation systems?

A. I would expect a portion of it to be taken away from existing transportation systems. The other part would come with

this increase in business that is caused by an increased manufacturing on the Coast and increased shipping up and down the Coast that is taken away from the East. An increase in population calls for increased consumption and all of that calls for more business activity.

Q. Disregarding your proposed extension on Highway 101, and having regard only to the extensions at Medford and Klamath Falls, what percentage of the new business which you would expect to get would be occasioned by traffic not now handled by any carrier and what percentage of the new business would you estimate would be taken away from existing carriers?

A. That would be impossible to give.

Q. Would you be able to say whether the greater portion
1305 of the anticipated new traffic would be traffic not now handled by any carrier?

A. No; I wouldn't be able to make any estimate. I know from a practical standpoint that as you improve transportation service greater activity results, a greater amount of business. We have had extensive experience along that line and that is the way our company has been built.

Q. As a matter of fact, your company has been built principally by taking traffic away from rail carriers, hasn't it?

A. No; I wouldn't agree with you on that.

Q. So what you are trying to say now to this Board is that you expect new business, but you have no idea at all what portion of that new business will be business not now transported by another carrier, as compared with the portion which is now being transported by another carrier?

A. Very badly stated.

Q. You state it better then, please.

A. I would say that it is impossible to accurately state what proportion of the business would be taken away from existing transportation facilities and what proportion would be new business.

Q. You will remember, Mr. James, that I didn't ask you to accurately state it. I asked you to give a rough estimate. Are you capable of doing that?

A. No.

1306 Q. The fact is you don't know very much about what new business you expect to get, or where you expect to get it from, is that correct?

A. In surveying a new territory, conversing with the shippers, we don't usually ask the question, "Are you shipping by some other means?" We ask, "Do you need the service and will you use our service?" The answers mostly have been "Yes."

Q. You spoke of the proposed purchase of the Reymer Line. Where does that line operate?

A. From Klamath Falls to San Francisco.

Q. Has application been made to the Interstate Commerce Commission for authority to purchase that line?

A. The application has been made; yes.

Q. Now, if you cut off time in transit in connection with your proposed extensions is it your opinion, as a truck operator, that such action on your part will cause your competing carriers likewise to reduce their time in transit?

A. Yes.

Q. And if they do so is it not true that the competitive advantages as between the existing carriers, including your new extensions, would be equalized in so far as time in transit is concerned?

A. When they catch up with us it is true.

Q. Well, with the advance notice which you are giving them here do you not imagine that they will have arranged to
1307 catch up with you if it is physically possible to decrease the time in transit?

A. I didn't get the question.

Chairman TERRIL. Read the question, Mr. Reporter.

(The question referred to was read by the reporter as above recorded.)

A. You mean to catch up with us at once?

By Mr. FARRENS:

Q. Yes.

A. I doubt very much if they will change their ways overnight.

Q. Well, you are not expecting this case to be decided overnight, are you? It is going to be briefed and there will be a lapse of a month or two at least during which time they can make such arrangements.

A. I am not in a position to testify what the competition is going to do.

Q. I thought you had just such common knowledge as that.

A. That is right. Usually they do and usually they are several months late in doing it.

Q. And you expect to get a bulge on them with respect to taking traffic away from them in the several months that will elapse?

A. I hope to; yes.

Q. Now, when you referred to impairment of the services of the Pierce Auto Freight Lines you made the comment that only recently had they commenced through daily operation.
1308 That is correct, isn't it?

A. Yes.

Q. You are aware, however, that they were protecting, for a long period prior to the commencement of through daily operations, a right to operate between Medford and San Francisco in connection with their operation north of Medford, isn't that correct—protecting that right by operating once a week?

A. I knew they were operating once a week; yes.

Q. So you are prepared to admit, are you not, that at this time Pierce Auto Freight Lines is a competitor which is in the field furnishing a daily service?

A. That is correct.

Q. Are you in agreement with the idea that an existing carrier such as Pierce Auto Freight Lines ought to have the right to transport all traffic that it can handle adequately, efficiently and economically in the territory which it serves?

Mr. SCHAFER. I object to the question as calling for a conclusion of the Motor Carrier Law and not proper cross-examination in this case. That is a question for the Commission to decide.

Chairman TERRIL. Read the question, Mr. Reporter.

(The question referred to was read by the reporter as above recorded.)

Mr. SCHAFER. I further object to the question on the
1309 ground that it is attempting to engage the witness in an argument. His answer would constitute evidence of no fact whatsoever.

Mr. FARRENS. I have asked an economic question.

Chairman TERRIL. This witness has shown himself familiar with traffic conditions. I think perhaps he is qualified to answer the question. I would like to have an answer.

A. In framing your question did you mean the territory that he serves directly, or the vast amount of territory he may serve through connections?

By Mr. FARRENS:

Q. All the territory served, including the traffic he picks up at and between his extreme actual termini of operation and the traffic that he picks up by interchange at the termini.

A. I would say "No" to that.

Q. And why do you make a distinction between traffic picked up at interchange points and traffic which is initially delivered at a terminal?

A. Well, I don't think it is economic—if the question is based on economics—I don't think it is good business to try and freeze a transportation system to a system of interchanging freight between carriers with no improvement in service for an indefinite

period of time on the theory that the way we do it today is the same way we must do it tomorrow.

Q. I am not talking about your operation. I am talk-
1310 ing about the operation of Pierce Auto Freight Lines. Do you think it ought normally to have the right to transport all the traffic which it can handle adequately, efficiently and economically, in the territory which it serves?

Mr. SCHAFER. I renew my objection on the further ground that it is something for the Pierce Auto Freight Line to prove and probably to argue in its brief; and the answer of the witness will have no persuasive weight one way or the other and merely prolongs this proceeding.

Mr. FARRENS. If the answer is that he does think they have the right it seems to me it would have a direct bearing on this application.

Mr. SCHAFER. The only thing that would have any bearing, in answer to that question of yours, is what the Commission thinks. You know that is true.

Chairman TERRIL. The Commission is going to think to a certain extent, at least, to what the Joint Board thinks of the testimony in this record. I believe the witness is qualified to answer the question. He may answer as to what his opinion is on that.

Mr. SCHAFER. Does counsel agree to be bound by the answer?

Mr. FARRENS. That is a silly question to ask in connection with the cross-examination of an adverse witness.

Chairman TERRIL. Do you know the question?

1311 The WITNESS. I would like to have it again.

(The question referred to was read by the reporter as above recorded.)

A. I think that is the same question I answered.

Chairman TERRIL. And the answer before was "No."

By Mr. FARRENS:

Q. Has your company in times gone by, in opposing applications of carriers, who themselves were seeking extensions, taken the position that existing common carriers by motor vehicles should normally have the right to transport all traffic that they can handle adequately, efficiently, and economically, in the territories they serve?

A. I think each case would have to be weighed, that is, would have to stand on its own bottom.

Mr. SCHAFER. I will stipulate that in writing briefs I have urged that very point.

Mr. FARRENS. On behalf of this carrier?

Mr. SCHAFER. On behalf of the Consolidated, yes. Perhaps that will save time.

Mr. FARRENS. I think it will.

By Mr. FARRENS:

Q. Now, one of the points which you are urging here is that the extensions requested by you southward from Medford and Klamath Falls is that it will eliminate the transfer of lading now involved in the joint through operation, isn't that correct?

A. Yes.

1312 Q. Do you regard that as one of the more important points in support of your application?

A. It is an important point.

Q. In the case of Pacific Truck Express, I. C. C. Docket No. MC-1592, did your company take the position with respect to the interchange of freight between your company and Oregon-Nevada-California Fast Freight at Medford——

Mr. SCHAFER (interrupting). Have you the date of that hearing, Mr. Farrens?

Mr. FARRENS. Well, it was heard sometime shortly before December 23, 1938.

By Mr. FARRENS (continuing):

Q. That your joint lines were handling hundreds of shipments in such transfer of lading at points of interchange with negligible damage claims?

A. I don't remember. I don't believe I attended that hearing at all.

Q. What was the fact, Mr. James, as to whether or not you at that time, and for a long time prior thereto, had been handling hundreds of shipments and transfer of lading at that interchange point with negligible damage claims?

A. A good deal depends on the definition of the word "negligible." There would be more damage claims than if it was a through service.

Q. But would you say that they were negligible?

A. No. I don't think that any damage claim is negligible.

1313 Q. Are you prepared to say that your company at that time did not take the position that they were negligible?

A. Well, I would be prepared to say that we shouldn't have taken the position that they were negligible. We certainly shouldn't neglect the damage claims.

Q. If your interests should become reversed in some future hearing, would you be prepared to say that your company should not, in this case, have taken the position which it is now taking, if it were against your interests?

The WITNESS. May I have the question again?

(The question referred to was read by the reporter as above recorded.)

The WITNESS. You get your questions so involved I don't follow them.

By Mr. FARRENS:

Q. In other words, are you ready to change your coat the next time if it becomes inconvenient for you to wear the one you are now wearing?

A. I am not changing my coat. The simple facts as far as damage claims are concerned are these: That a joint service necessarily creates more damage claims than a through service because there is one more handling of the freight. Whether the care with which you handle those shipments will keep those damage claims down to a minimum is dependent upon the care that is exercised. In no case would any damage claim be negligible.

1314 Q. In that case did your company contend that even where a new service facilitated through transportation and the time in transit was lessened, that such facts did not constitute proof that public convenience and necessity was not being served by existing carriers?

Mr. SCHAFER. I am going to object on several grounds to that question. One is that the situation is too remote to be binding upon the applicant at this time. It is several years ago. The volume has doubled, as the exhibit shows.

I object on the further ground that no matter what we contended, Division Five of the Interstate Commerce Commission found against us and they were convinced, and may have convinced us, that we certainly are not precluded from changing our position, assuming that we have changed our position, and I don't think that this line of cross-examination will develop any facts.

Mr. FARRENS. Well, in the first place a lapse of two years' time does not change principles such as I have questioned this witness about. An increase in volume of traffic does not change principles. The case was decided on the basis of grandfather rights ultimately, rather than the convenience and necessity extension.

Chairman TERRIL. Read the question, Mr. Reporter.

(The question referred to was read by the reporter as above recorded.)

1315 Chairman TERRIL. The objection will be overruled.

A. I don't remember that we contended that specifically.

By Mr. FARRENS:

Q. What are you contending now, the reverse of that?

A. We are contending that when the volume of business interchanged between two carriers grows to the point that it cannot

be well and economically handled, that through services should be substituted for it.

Q. Regardless of the service which at the same time may be given to the public by existing carriers?

A. I don't get your point.

Q. I say, are you contending that regardless of the service which may be given contemporaneously by existing carriers?

A. If there is an adequate amount of through service then that would not be an excuse for creating additional through service.

Q. Now, getting back to the Pierce Line. With that line in the field giving daily service, do you believe that the granting of the extensions requested by you and by Oregon-Nevada-California Fast Freight will tend to prevent the normal development of the new daily service by curtailing the traffic available to it?

A. No; I don't think so. In explanation of that I want to say that from San Francisco to the Northwestern area there is a decidedly fewer number of through carriers than there is from San Francisco to east points and there is such a divergence
1316 in routes—the Pierce operation is purely a service through Medford to Portland from San Francisco. That route is completely different from the routes that we are going to render a like service on and on which most of our operations are going to be conducted. We are availing ourselves of a much faster route through Klamath Falls to Portland and diverging from that route into Spokane and Eastern Washington territory. There is no parallel as far as the route over 101 is concerned.

Q. In connection with traffic moving between San Francisco Bay points and Portland could you not take traffic away from Pierce Auto Freight Lines which it might otherwise handle just as readily by operating through Klamath Falls as you could by operating through Medford?

A. Yes; that is right.

Q. Mr. James, your counsel has handed me what purports to be the bylaws of Freightways System, a California corporation. Is that corporation an organized and existing corporation?

A. That is right.

Q. What are the names of the member lines at this date?

A. The names of the member lines are Interstate Freightways, Garrett Freightways, Union Freightways, Salt Creek Freightways, Russell Freightways, Canadian Freightways, Wilson Freightways, Consolidated Freightways.

Exam. KEPHART. Are those independent carriers of
1317 Consolidated, or subsidiaries?

The WITNESS. They are all independent carriers.

Exam. KEPHART. Carriers independent of Consolidated Freightways?

The WITNESS. Yes.

By Mr. FARRENS:

Q. Section 7 of Article IV provides, among other things:

"Each member shall pay to the corporation for general services such percentage of its gross revenues derived from freight-carrying operations as may be determined by the Board of Directors from time to time."

And then there are, throughout the Articles, numerous provisions for the payments of dividends by that corporation.

What was contemplated to be the source of dividends?

A. No dividends would be paid unless the service organization actually earned a profit.

The income of the Freightways is from two sources: One source is from a monthly contribution to Freightways based upon the gross revenue of the member lines. That is credited to the account of the member line and against it is charged the general expense, the balance going to the credit of the member line as capital of the Freightways organization.

In addition to that the Freightways organization has revenue coming to it from services it may render a member line.
1318 For instance, it may furnish a member line with the services of an auditor, or a labor control man, or a mechanic, and those services are furnished at an agreed-upon price and at a price that returns to the Freightways organization a measure of profit.

If it should happen that the volume income of the Freightways organization from that source would be sufficient to pay the overhead, that is taken out of the deposit; and if a surplus is left, then the member would be in a position to receive a dividend.

Q. Mr. James, I notice that Cascade Fast Freight is not represented by counsel or otherwise at this hearing today.

Mr. SCHAFER. I think the general manager is sitting over here right now.

Mr. FARRENS. I will change that and say that its counsel is not here.

By Mr. FARRENS:

Q. Have negotiations been under way between your company and Cascade Fast Freight for the acquisition of any interest in or any measure of control of that line?

A. No definite negotiations.

Q. What do you mean by the word "definite"?

A. Well, I received a letter from Mr.—a man from Los Angeles who said that the operations might be for sale. But I haven't gone to the extent of checking up their rights, or inquiring into
1319 the price, or taking any definite action in that regard.

Q. Is any investigation on that matter being made by your company now?

A. No.

Q. Have negotiations been entered into between Cascade Fast Freight and any other party looking to their becoming a part of Freightways System?

A. In the same way—this letter from the System Service suggested that Cascade Fast Freight and System Service had become a member of Freightways. It was in the nature of an inquiry and not in the nature of a proposal of any kind.

Q. Fast Freightways System is seeking new members?

A. Right.

Q. And would Cascade Fast Freight be an eligible member?

A. No; it would not.

Q. So there is no hope or possibility of Cascade Fast Freight becoming a member of Freightways System?

A. I don't see that it would fit in at all because it would be competitive with the existing members and the plan of Freightways is not to take in competing lines.

Q. Has your company had any negotiations of any character whatsoever looking to the purchase of the Mitchell Brothers, operations?

A. Not recently; no.

Q. What do you mean by "recently"?

1320 A. I can't give the exact date, but some time back we were informed that the Mitchell Line could be purchased, but no active negotiations were entered into for the purchase of it. It was merely an offer.

Q. There was contact between your company then and the Mitchell Brothers' operation?

A. That is correct. Mr. Mitchell came down to my office and said—we discussed the possible purchase of the line and we mutually agreed—I don't know whether it was his idea or mine—that there was no use talking about such a thing until their rights had been fully determined and they really had something to sell.

Q. So that question is left in abeyance until there has been an adjudication on Mitchell Brothers' rights?

A. No. There was no obligation on either side. It was merely a discussion, business discussion.

Q. Mr. James, if your proposed extensions south of Medford and Klamath Falls are denied, and your Coos Bay extensions are allowed, would you then carry any Portland traffic by Highway 101?

A. I think in that event we would; yes. It would mean a rearrangement of the schedule.

Q. Would the diversion from your present interchange with

Oregon-Nevada-California Fast Freight then become substantial?

A. I can't prophesy just what would happen in case the
1321 right to operate over 101 was given us and the other right denied. It would be a situation we would have to face at that time and meet with Mr. Gritsch and decide what we were going to do. There is no company policy in the way of our continuing the interchange with Mr. Gritsch. There are times that we have short-hauled ourselves on traffic.

Q. If your application southward from Medford and Coos Bay were denied, and your Klamath Falls southward extension were allowed, would you divert business now being handled through the Medford interchange and carry it on your extension from Klamath Falls south-bound?

A. That, too, would be a situation that we would have to consider when it arose. I think you are asking for my opinion. I would say that a good proportion of the traffic that moves into the Eastern Oregon or Eastern Washington territory would be diverted from the Medford gateway.

In establishing our joint service we at one time tried to put that traffic through Klamath Falls, and it advantaged our company in particular to put this traffic through Klamath Falls, but it disadvantaged Oregon-Nevada-California Fast Freight to such an extent that we had to abandon that. That would be one factor in compelling us to handle that portion of the traffic at least through the Klamath Falls gateway.

Chairman TERRIL. I would like to ask a question in connection with that. Did you have in mind in connection with
1322 this possible diversion through Klamath Falls the use of the Willamette Highway?

Mr. FARRENS. Yes.

The WITNESS. What I was talking about was that if we handled it through Klamath Falls into Eastern Washington points we save 150 miles.

By Mr. FARRENS:

Q. I understand that. But my question related solely to business originating at or destined to Portland, or points north of Portland, such as Seattle, Tacoma, and I wanted to know whether or not with respect to such business if you were granted your Klamath Falls extension and denied your Medford and Coos Bay extension, it could be expected that any substantial proportion of the traffic now interchanged at Medford would be hauled via Klamath Falls solely on your line.

A. Well, I think that would be a question we would have to decide when that case arose. If the question applies particularly to traffic of Portland and points north of Portland, the traffic or-

dinarily would be handled through Portland. I think when the traffic could be handled advantageously, and not through Portland, that undoubtedly would be diverted.

Q. Mr. James, when you were discussing the Pierce line a little bit ago I understood you to indicate that there would be an advantage over the operation through Klamath Falls, from an operating standpoint, as compared to the operation
1323 through Medford. That is true; isn't it?

A. You will have to localize your freight. It depends on the point.

Q. I am still talking about freight originating at or destined to Portland and points north of Portland.

A. Then you are broadening your question too much. The answer is "Yes" to points north of Portland and "No" to Portland.

Q. Isn't it a fact that even with respect to traffic destined to or originating at Portland, that if you are allowed to use the Willamette Pass highway, that you will save distance and avoid some curvature and grades between Portland and Medford?

A. Between Portland and San Francisco, you mean?

Q. I mean between Portland and Klamath Falls.

A. Yes; that is right.

Q. And that you will also have better operating conditions from Klamath Falls to San Francisco than from Medford to San Francisco?

A. I don't know whether that is definitely true. There isn't any considerable difference in the operating conditions south of Medford or south of Klamath Falls—there may be some. The point I want to make is that the time in transit from Portland to San Francisco, whether the freight is carried through Klamath Falls or through Medford, will be essentially the same as far as the shippers are concerned, because in either case it is second morning delivery.

1324 Q. If operating conditions were at least as good between Portland and San Francisco via Klamath Falls as they are between the same points via Medford, and your Klamath Falls extension were the only extension granted, it would not be good business policy for your company to short-haul itself by tendering business to Oregon-Nevada-California Fast Freight for interchange at Medford, that is true, isn't it?

A. That is correct. We do that. For instance, we have a service from Portland to Montana points, from Seattle to Montana points, and also a local service from Seattle to Spokane. We do concur with the carriers from Seattle to Spokane and short-haul ourselves on that portion of the traffic. But it is natural for our company to endeavor to get for itself all of that traffic. The

gateway may be left open for the other carrier, but when that competitive condition exists we try to get the through haul rather than the short haul.

Q. Now, with respect to Pacific Truck Express, I think you have gained the wrong impression. You were not here during the Gritsch case when I announced the future intentions of Pacific Truck Express, were you?

A. No.

Q. In announcing the intentions of Pacific Truck Express I stated that the through service now being maintained would continue to be maintained until the management had succeeded in working out a substitute service which would be
1325 equal or better than the through service now maintained, and the intentions of the company do not involve surrendering to you, or to any other carrier, except over their dead bodies, so to speak, any traffic, either on the basis of the present service which the connecting carriers are giving, or on the basis of any extension which you are proposing. Is that clear to you?

A. That is clear, Paul, except that it has been my opinion the day when you would eliminate the through truck service would never arrive. The joint rail and truck service will never be equal to through truck service.

Q. Well, if you were granted the extensions which you are asking would you expect to divert business from Pacific Truck Express present service?

A. In my opinion Pacific Truck Express, on account of circumstances that you well know, have never been a factor between Portland and San Francisco.

The history of the company was, originally it was organized to handle packages and they tried to change over to handle general freight and got into financial difficulties. They called in an expert who got them into more difficulties and after losing plenty of money your company came along and tried to bail them out, and you did nothing about changing equipment or the
1326 method of operation, and it is still giving the same inadequate, poor type of service.

Q. Well, it has been only since July 1st that we have had control. You know something about the Southern Pacific Company's past operations. You don't anticipate that they lack either the means or the energency or intelligence, do you, to improve the service?

A. No; I don't think that they will.

Q. Well, can you answer my question as to whether or not you expect to divert business which is now being handled by Pacific Truck Express?

Mr. SCHAFER. I am going to interpose at this point that you

haven't fully stated the proposal of the Southern Pacific as you stated it in the Gritsch case yesterday. I understand, although they will operate trucks over every foot of the route which they now have acquired, that they will not operate trucks through from Portland to San Francisco and they will coordinate the truck service with the rail service, as they stated at the hearing.

Mr. FARRENS. That has nothing to do with my question. My statement made it clear that the through service would be continued for some time at least. I am asking Mr. James whether he expects his proposed extensions to divert some traffic from that through service.

The WITNESS. Shall I answer?

Chairman TERRIL. I think so.

1327 A. As a result of any competitive situation the traffic that you have today may go to your competitor tomorrow, and vice versa. I expect to get some business away from the Southern Pacific on the basis of rendering a better service, being easier to do business with, or something else, and I expect to get business from others. That is a natural situation.

By Mr. FARRENS:

Q. And you expect the extension to take business away from the Southern Pacific Company, or rather, away from the Pacific Truck Express, which would not be taken by the joint through operations of your line and Oregon-Nevada-California Fast Freight, isn't that true?

A. I expect that the through service will be an improvement over the joint service and to that extent will influence business away from your service if it is poorer than our new service.

Chairman TERRIL. Off the record.

(Remarks off the record.)

Chairman TERRIL. Mr. Farrens, may it be considered that your statement as to the future policy of the operation of Pacific Truck Express by the Pacific Motor Trucking Company, as outlined in the Oregon-Nevada-California case, be applied in this Consolidated case that we are now hearing?

Mr. FARRENS. More specifically, I am agreeable, if other counsel will consent, that my statement and questions and answers

1328 relating to that subject, may be incorporated in the present case by reference.

Chairman TERRIL. Is there any objection to that?

Mr. ELLIS. I have none.

Mr. SCHAFER. Assuming that Mr. Farrens is fully qualified to state the intentions of the Pacific Motor Transport, I will waive objection to the statement even though it is not a sworn statement and actually evidence.

Mr. FARRENS. If counsel is not willing to assume I am expressing the intentions of the Southern Pacific Company I will withdraw the offer.

Mr. SCHAFER. I said I assume you are.

Exam. KEPHART. All right; do not argue about it.

Chairman TERRIL. That question was gone into in connection with the other case, I think.

Mr. FARRENS. I don't want any qualifications. It is either accepted or it isn't.

Mr. SCHAFER. You have no objection to my assumption that you are qualified?

Mr. FARRENS. Not at all.

Mr. SCHAFER. All right.

Mr. HICKSON. I was not present yesterday. That was one of the objections I had to consolidating the two records. I didn't anticipate that anything would be brought in from that case into this case.

1329 Do I understand from Mr. Farrens' statement yesterday that Pacific Truck are going to give up their operating rights in California permanently?

Mr. FARRENS. Not at all.

Chairman TERRIL. Are we going to have to go into this by question and answer? If so, we might as well have it repeated in the record as to go over it again.

Exam. KEPHART. Let us get together on this off the record.

(Remarks off the record.)

Exam. KEPHART. I want to ask a couple of questions.

Mr. FARRENS. I am nearly through with my cross-examination. Would you permit me to continue and then follow with your questions?

Exam. KEPHART. Yes.

By Mr. FARRENS:

Q. I hand you Exhibit No. 10, which was introduced yesterday in Docket No. MC–9115, Sub. 1, which purports to be a letter written on Consolidated Freight Lines, Inc., stationery, from Portland, Oregon, under date of October 14, 1938, addressed to Messrs. T. S. Carter, Joe Gritsch, and others, and signed by yourself as president of Consolidated Freight Lines, Inc. I wish to ask you if that is your signature.

A. (Examining signature.) That looks like my signature. I haven't any reason to believe it isn't.

1330 Q. If I were to offer that same letter in evidence in this case you would not suggest that there is any lack of verity in the document, would you?

A. No; I wouldn't.

Mr. FARRENS. If the Examiner and the Board please, at this time I offer this letter in evidence. It is physically in evidence in the case which was being heard yesterday. I think probably it would be a good idea to go off the record and discuss what we are going to do with the mechanics of getting it in this record.

Mr. SCHAFER. I want to put an objection. In the first place, I will ask what is to be proven by that offer. I have read the letter and, as I see it, it shows immature consideration of a problem just developing two years ago. I cannot see what you can prove by it, but I would like to know what you propose to prove so as to afford me a basis for an objection.

Mr. FARRENS. The letter speaks for itself as to what position was taken by Mr. James and I am unwilling to concede Mr. Schafer's contention that Mr. James' considerations are ever immature.

Exam. KEPHART. The letter is the best evidence and may be received in the record.

Mr. FARRENS. I would like to go off the record on this for a moment.

Chairman TERRIL. Off the record.

1331 (Remarks off the record.)

Chairman TERRIL. On the record.

Mr. SCHAFER. I do not want it to appear that I have insulted my client. I would like to substitute the word "preliminary" for "immature" consideration.

Mr. FARRENS. If the Board and the Examiner please, I am now asking that this letter be received and marked as "Exhibit No. 12" in this case and that thereafter I be allowed to withdraw the same and place it back in the record in the case in which it was originally introduced, and substitute in lieu thereof for the file and record in this case, a copy thereof.

Chairman TERRIL. The request is granted in the manner specified by Mr. Farrens.

(Exhibit 12, Witness James, received in evidence.)

Mr. FARRENS. That concludes my cross-examination.

Chairman TERRIL. Any redirect?

Redirect examination by Mr. SCHAFER:

Q. Mr. James, you mentioned as a source of tonnage to be expected north-bound between San Francisco and Klamath Falls, on the Spokane schedule, 25 tons a week handled by Reymers, but you didn't mention any volume of tonnage south-bound from Klamath Falls to San Francisco. Do you have any figure on that?

A. It is about an equal amount.

Q. Now, you testified that you put in refrigeration equip-
1332 ment into the Marshfield territory in the spring of 1940 and then later you said you didn't know when you put it in there. Can you clarify that in any respect?

A. I can only explain my answer. These units that were refrigerated were added gradually and we used them at points we thought were the most profitable points to use them. I don't know how long it took from the time we started building them to get them into service on the Marshfield line.

Q. All that you have in service there now have been put in since the spring of 1940, this spring?

A. Yes; I am quite sure of that.

Q. Now, with respect to the questions asked you about your negligence, or the negligence of your employees in the Marshfield territory in developing south-bound business out of Marshfield, I would like to ask you whether participation in a joint service involving a split rate, and the expense of transfer such as you have on the Marshfield-San Francisco service at present, whether that is as attractive to your company as through service would be.

A. No; it is not as attractive. The business originating in Marshfield would involve operating our trucks from Marshfield to Medford, the point of interchange, and that would be an off-schedule movement.

Q. Another point that I didn't get quite clear: You testified,
I believe, that it was approximately 150 miles shorter
1333 direct to Spokane through Klamath Falls, but did you say anything about the road conditions? Have you anything to say with respect to the grades and highway congestion, and other factors that might be involved?

A. You avoid the congested areas. You have better grades over the proposed route than over the present route.

Q. In an answer which you made with respect to the present service from San Francisco into the Northwest, you compared it to East points. What did you mean by "East points" from San Francisco?

A. I was comparing the service from San Francisco to the Northwestern points of Portland and Seattle, with the service from San Francisco to the Salt Lake area, or it could be compared with the service from San Francisco into the Southern Idaho area.

Q. How do those areas, Salt Lake and Southern Idaho, compare with the Northwest in density of population or size of cities?

A. Considerably less. Southern Idaho is very much less than the Salt Lake area, less than half.

Q. Take Southern Idaho, for instance. Do you know how many carriers there are operating a regular schedule between fixed

termini from Southern Idaho to San Francisco and the type of their operations?

A. The number of carriers in the Southern Idaho area are three. They are all operating refrigerated service, daily
1334 common carrier refrigerated service.

Exam. KEPHART. What route is followed?

The WITNESS. Into Southern Idaho, 40 out of San Francisco north from Wells.

By Mr. SCHAFER:

Q. You mean three motor carriers?

A. Three lines.

Q. Do you know the number of fixed termini daily schedules operated between San Francisco and Salt Lake, for instance?

A. Yes.

Q. How many are there?

A. Two through services and one joint service.

Q. Have you read the letter which——

A. (Interrupting.) Wait a minute. There are two through services and two joint services.

Q. Those are daily also?

A. Yes.

Q. Do they also have mechanical refrigeration?

A. Yes.

Q. Have you read the letter which has now been identified for this record, I believe, as Exhibit No. 12?

A. Yes; I have.

Q. Have you any explanation to make of the contents of that letter?

A. This is the letter that was written on October 14, 1938, urging that a group of carriers get together for the pur-
1335 poses of forming a service organization that would eliminate the difficulties we were having in interchanging freight as between the carriers involved.

Q. Was that prior to any definite understanding?

A. It was a preliminary letter suggesting that we get together at a meeting.

Mr. SCHAFER. That is all.

Exam. KEPHART. Would your company have filed these applications if the Oregon-Nevada-California Fast Freight had not filed its application in the parallel case?

The WITNESS. We filed ours first.

Exam. KEPHART. Not all of them. I think some of the later ones are after theirs.

The WITNESS. We took the initiative in the filing.

Exam. KEPHART. You mean that you would have filed regardless of what they were going to do?

The WITNESS. Yes. I talked the matter over with Mr. Gritsch and we concluded the way to get rid of our difficulties was for us to come to San Francisco and for him to file to go north.

Exam. KEPHART. May I ask why the action in Sub. No. 20 was filed inasmuch as the entire route seems to be included in Sub. No. 15?

Mr. SCHAFER. I can explain that.

1336 Exam. KEPHART. Proceed.

Mr. SCHAFER. Sub. No. 15 included all four routes and our experience in past cases in including various routes under one application has been unfortunate. We have the decision in one case held up a long time waiting for the rest of the cases to be decided. Moreover, we at that time hoped for a separate hearing at Marshfield on this application from Marshfield down. It was decided the best policy was to take everything out of 15 except the Klamath Falls route and make a separate sub number of the Medford, the Marshfield and the Lakeview route. We have later restricted our Lakeview application to merely an alternate route.

Exam. KEPHART. Is it your intention to pursue the subject of a route from Lakeview to Ontario, Oregon?

Mr. SCHAFER. No, that was restricted.

Exam. KEPHART. In Sub. No. 18?

Mr. SCHAFER. That was restricted. Our first thought was, as the witness explained, to operate a daily service through Lakeview, Burns, and Ontario, constituting a schedule into southern Idaho. We determined by an analysis of the traffic that there would not be sufficient traffic to make it profitable; that we would take freight off at Lakeview and there wouldn't be any freight to fill in that empty space and we would be operating the greater length of the haul partially loaded.

Exam. KEPHART. So the application dealing with a

1337 route from Lakeview to Ontario over U. S. Highway 395, and Oregon Highway No. 54, has been abandoned?

Mr. SCHAFER. That is correct.

Chairman TERRIL. Did the record so show previous to this time, Mr. Schafer?

Mr. SCHAFER. I am quite certain it did. All we have left of the Lakeview route is a request to use it as an alternate route, serving no intermediate points between Redding and Lakeview.

Exam. KEPHART. That clarifies the situation.

Chairman TERRIL. That deals with Sub. No. 18?

Mr. SCHAFER. I think so.

Re-cross-examination by Mr. FARRENS:

Q. Mr. James, from the time when you wrote the letter of October 14, 1938, which is exhibit No. 12 in this case, up until

shortly before you filed the applications in this case, you continued to urge Mr. Gritsch that the Oregon-Nevada-California Fast Freight join the Association known as Freightways, is that true?

A. I urged that he become one of the organizers of it.

Q. And one of the members of it?

A. Yes.

Q. And you continued upon the same grounds that are set out in exhibit No. 12 to urge him to join, didn't you?

A. Not exactly. As a result of our first meeting our
1338 plan of operation was changed considerably from the plan outlined in that letter.

Q. But you continued, up until shortly before you filed these applications, to urge the Oregon-Nevada-California Fast Freight to join that Association as a means of eliminating the troubles which you were having account of the interchange.

A. That is essentially correct. What we really did, we sat down at a meeting and we discussed the possibilities of our being able to accomplish the things that I set out in this letter as objectives. I think it was Joe's opinion that they couldn't be accomplished by joining this Association.

Q. And it was your opinion that they could?

A. It was my hope that they could yes.

Q. And, as a matter of fact, it was not until you became convinced that Mr. Gritsch would not permit the Oregon-Nevada-California Fast Freight to join the Association known as Freightways that you determined upon filing the applications in this case, isn't that true?

A. That is correct. I wanted to try it the other way.

Q. And the filing of your application was not because of any agreement between you and Mr. Gritsch that the best way to handle the thing was to file both applications, but because Mr. Gritsch couldn't join this Association, isn't that true?

A. No; you stated it wrong there. I think Mr. Gritsch's idea
1339 was that we wouldn't be able to eliminate the difficulties through this organization; and my subsequent experience with the organization has kind of convinced me that he might have been just as right as I was.

Q. The fact nevertheless was that it was his refusal to join the organization at that time which induced you to file these applications?

A. Yes. We had a serious situation there where we weren't handling the traffic the way we thought it ought to be handled and we thought that we could work out our difficulties if we would all get together and make an earnest effort to do it. Mr. Gritsch didn't think we could. That is where we disagreed.

1358 general condition prevailing where traffic is interchanged? Is that the impression you are trying to give here?

A. If you are comparing a through operation with a transfer operation; yes. Where all freight is rehandled it increases the liability of it going astray and becoming damaged.

Q. What study have you made, or what investigation have you made concerning that condition in relation to the operations of other motor carriers not connected with the Consolidated Freight Lines where two connecting carriers interchange traffic?

Mr. SCHAFER. There has been no testimony—he only testified that that same difficulty occurs with other lines connecting with Consolidated.

Mr. HICKSON. I am cognizant of that fact. What I want to find out is what he is trying to convey here as to whether or not, wherever a connecting carrier interchanges freight, this same condition prevails and that there is about a 10 percent over and under and damage claim situation existing.

A. Well, I mean in my experience with our through service and our connecting service from different points.

By Mr. HICKSON:

Q. You are basing your testimony, are you not, Mr. Ashby, now, on your experience with the Oregon-Nevada-California Fast Freight principally?

A. Principally, yes.

Q. Well, now, going back to my original question, do you
1359 want to convey the impression here that that same condition exists generally where motor carriers interchange traffic or are you confining your testimony just to the operations of Consolidated and Oregon-Nevada-California Fast Freight?

A. Well, I can only speak from my experience with Consolidated. I couldn't say for it generally. It would be my impression that it would happen with any two carriers that if they interchange freight their chances of freight going astray would be more than if it was a through service.

Q. But you are basing your testimony now on the experience with the California-Nevada Company?

A. That is right.

Q. Now, do I understand that the same percentage of error occurs on the traffic originating on the lines of Consolidated as on traffic originating in San Francisco on the lines of Oregon-Nevada-California?

A. Well, I don't know what proportion, how to divide them up that way.

Q. Did you divide them up that way?

A. I haven't made any division of them to make a survey to

see how many errors occurred on the one line and how many occurred on the other; but over a period of handling them it is mixed in there

Chairman TERRIL. Are you referring to the south-bound movement now?

1360 Mr. HICKSON. I am asking the question as to whether or not the same percentage of error occurred on traffic originating on their line—that would be south-bound—as occurs on the north-bound traffic.

Chairman TERRIL. Do you handle the claims as to the south-bound?

The WITNESS. If the shipment originates at Portland going into Frisco——

Mr. SCHAFER (interrupting). San Francisco, please.

The WITNESS. San Francisco—the other carriers put out a form, or a tracer, or something on that, of which I got a copy, and from which I work the Portland end of it.

Chairman TERRIL. But in the first instance it would be handled by a carrier in San Francisco, would it not?

The WITNESS. Yes.

Chairman TERRIL. Have you included in your estimate of 10 a day the ones that are handled first at this end of the line?

The WITNESS. Yes; these are the ones at this end of the line, that freight moving in from the south.

Chairman TERRIL. I think you missed my question.

Mr. SCHAFER. Perhaps I can clarify this. We are trying to distinguish the cases where you trace for lost shipments, and the cases where you are being traced for something, where you do the tracing, and where somebody is tracing you.

1361 As I understand it, that is what you are after.

Chairman TERRIL. That is what I want to know.

The WITNESS. The 10 a day are the ones we trace.

Mr. HICKSON. I still don't know his answer to my question.

Chairman TERRIL. Ask it again. I am sorry I interrupted.

Mr. HICKSON. I want to know if the same percentage of error, from his experience and his checking, if he found that the same percentage of error occurs in shipments originating on the lines of Consolidated moving south as occurs on movements originating in San Francisco bound north.

Mr. BEROL. To which the witness already answered and indicated that he made no check in an effort to determine percentages, and he doesn't know.

By Mr. HICKSON:

Q. Is that your answer?

A. That is right.

Q. Mr. Gritsch didn't think this was the way to do it, isn't that the fact?

A. That is also the fact.

By Mr. HICKSON:

Q. Mr. James, if this certificate is granted allowing your company to operate a through schedule between San Francisco and the Coos Bay area serving points south of Coquille on U. S. Highway 101, is it your expectation, or do you anticipate, that a considerable volume of traffic now moving into this area from Portland will then move from San Francisco north to that area?

A. Well, I believe that is true, Jack; I think that.

Q. To such points as Gold Beach, for example?

A. Yes.

1340 Mr. HICKSON. That is all.

Chairman TERRIL. Is that all with this witness?

Mr. SCHAFER. That is all I have.

Chairman TERRIL. You are excused, Mr. James.

(Witness excused.)

Mr. FARRENS. If the Board please, I want to serve notice on counsel for applicant at this time that it is my intention, in the course of this case, to offer in evidence my cross-examination of the witness, Joe Gritsch, in Docket No. MC–9115, Sub No. 1, as part of this record and if he wants to have Mr. Gritsch available for rebuttal testimony he should arrange accordingly.

Mr. ROBERTS. You mean all cross-examination, don't you?

Mr. FARRENS. I agree with that too, but I am certainly going to offer my cross-examination.

Mr. SCHAFER. The answer is obvious. I was not present, nor were we represented here during the course of Mr. Gritsch's cross-examination. I had no opportunity to cross-examine him myself. I cannot be bound by anything he might have said. It may be that I could have been smart enough to discover some discrepancies and straighten them out on cross-examination. It would be obviously unfair to bind me in that manner.

Mr. FARRENS. Well, the rule permits me to offer that testimony as an exhibit.

1341 Mr. SCHAFER. Subject to the usual objections. If you will refer to the Rules of Practice, Rule 13 (b) I think it is, you will find that all such offers of testimony from another case are subject to the usual objections.

I certainly wouldn't expect to put someone's testimony in here when he, or his counsel, had no opportunity to be present and cross-examine the witness who gave that testimony.

Mr. FARRENS. If the Board please, there is nothing before you.

I am not arguing the admissibility of that offer. I am notifying counsel that I am going to make the offer.

Chairman TERRIL. We will deal with the matter when it arises.

Mr. FARRENS. That is a correct way to handle it.

Chairman TERRIL. Call your next witness.

Mr. SCHAFER. I will call Mr. Ashby.

ROBERT ASHBY was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you please give your name for the record.

A. Robert Ashby.

Q. What is your position—you are employed by the Consolidated Freightways?

A. Correct.

1342 Q. What is your position?

A. I am the O. S. & D. clerk.

Q. What are the duties involved in this position?

A. Well, I take care of the overs, shorts, and damages, and do the tracing and handle the refusals and unclaimed freight.

Q. And the overs, shorts, and damages, is that what "O. S. & D." means?

A. Yes.

Q. And in that position do you come in contact with shippers and consignees who are looking for lost freight?

A. Yes.

Q. What are your duties there?

A. Well, I handle all the tracing and, consequently, all the details that come in regarding lost and damaged freight coming over the desk.

Q. In the course of your work do you investigate the cause of such errors?

A. Yes, I do.

Q. And the O. S. & D.'s arising in connection with the present service between San Francisco and points on Consolidated Freightways come across your desk?

A. Well, my work pertains mostly to Portland and connecting points by connecting carriers out of Portland. I wouldn't be familiar with Seattle or Spokane. They have their own departments.

1343 Q. And you are familiar with the plans by which the freight is handled from San Francisco to Portland at the present time?

A. Yes, sir.

Q. How is it handled?

A. It is handled partly by through trailer service and part of

it is transferred at Medford from Oregon-Nevada-California Fast Freight to Consolidated equipment.

Q. Confining your testimony to the route from San Francisco to Portland, what have you to say as to the way it works out from an O. S. & D. man's point of view?

A. Well, from my point of view it works out very poorly because of the joint operation. Freight continually goes astray from the bills, becomes damaged, and we are continuously being traced by shippers or consignees regarding freight moving to and from the Bay area which is long overdue or checked short.

Q. Now, roughly, how many cases do you get on the average day which arise in connection with San Francisco connecting service, that is, how many instances of overs, shorts, or damages do you have?

A. Well, they sometimes run as high as 20 or 30 a day; it varies, of course. The average would probably be above 10.

Q. And what is your average tonnage at Portland per day—I mean from all sources—what is the volume of the business at Portland?

1344 A. About between 850,000 and 900,000 pounds, in and out, I guess.

Q. And how much of that is from California to Portland that comes across your desk?

A. From California to Portland it would be about 35,000 pounds per day.

Q. Now, do these Portland O. S. & D.'s, which you say average better than 10 a day——

Mr. IVERS (interrupting). I didn't catch his testimony that they averaged 10 a day. He said they ran as high as 20 and 30.

Mr. SCHAFER. He said they would average better than 10 a day but they ran as high as 20 and 30.

By Mr. SCHAFER:

Q. Does that average include California shipments to Seattle and points beyond Portland like Spokane, Seattle, for instance?

A. No. They have their own problems.

Q. They have their own O. S. & D. men?

A. That is right.

Q. Does the total tonnage of freight which you gave include the transfer of freight at Portland for Spokane, Wenatchee, and points beyond Portland?

A. Yes.

Q. That includes that volume too?

A. Yes.

1345 Q. And what is the average day's work at Portland on O. S. & D.'s from all points on the line?

A. Oh, we receive about 50, I would say.

Q. And about a fifth of the total arises in connection with this California service.

O. Yes; that is about right.

Q. Where do the other 40 come from, or the other four-fifths?

A. Oh, a thousand or so points. We have our own lines, Portland to Seattle, Portland to Yakima, Wenatchee, Spokane, all Montana points, and we have our own lines in from Minneapolis, and we operate into eastern Oregon, southwestern Idaho as far as Twin Falls, and we run from Portland to John Day, Portland to Klamath Falls, Portland to Medford, coast points, and we have a lot of other connections out of Portland. I do not mean to indicate by that that the Oregon-Nevada-California Fast Freight is the only connecting carrier we have trouble with. The volume moving over their lines is many times greater than that moving through any other connecting line and probably accounts for the O. S. & D.'s being so numerous.

Q. In what form are your complaints received?

A. Well, at Portland they are received in the form of phone calls, letters; or the consignee or shipper may call in person to investigate, which is generally pretty unpleasant. We have our own forms and the connecting line's forms.

Q. Does Oregon-California connect with Consolidated exclusively at Medford and Klamath Falls?

A. Well, I believe until recently they split largely with Pierce Auto Freight. However, now that Pierce is operating a through daily service I don't know whether that still holds true. I have, however, noticed that Bend-Portland is beginning to participate in this Portland business.

Q. Where a connecting carrier parcels out business among several carriers does that make your O. S. & D. situation any more difficult?

A. Yes. It increases the chance of freight going astray, or going to the wrong line. It causes difficulty in tracing. For instance, if a consignee produces a bill of lading showing the shipment was picked up by Oregon-Nevada-California Fast Freight, but unrouted, he may insist that we have the freight; and we might trace Medford and they advise it was turned over to a competing line.

Also on shipments that move "Will call" that are unrouted, it causes delay on the consignee's part and expense in contacting several different carriers trying to locate his freight.

Q. Now, you are familiar with the testimony of Mr. James given at Portland regarding 14 inherent disadvantages of a joint service as compared to a single line service?

A. Yes.

Q. Now, the third disadvantage which he mentioned had to do with the tracing of astray shipments. Can you state in what respects it is difficult to trace a joint service shipment, and
1347 can you give an actual comparison of the time required?

A. Well, on a through service we only have to trace the point of origin to determine when the shipment left. On a joint service we have to trace both the point of origin and the transfer point. For instance, this case might come up: Where a consignee produced a bill of lading showing a shipment routed over our lines. We don't have any manifest or bills to cover the shipment. He may insist that it is for a repair job, or a break-down, or something like that, and it becomes necessary to wire. If we wire San Francisco they may advise that it was out of there complete and must be held up in Medford. Then if we wire Medford they may advise that they have no record of the shipment and it must be held up at Frisco. In either case we have to send extra wires causing delay and expense in getting the information through.

Also the difference in freight bill numbers hamper the tracing. If the reference isn't given on the freight bill of the other connecting carrier's number, we have to trace the connecting point then for that number, which causes a day or more delay.

Sometimes one connecting line will trace the other's wrong point for the information. They might receive a tracer at Seattle regarding a shipment actually handled through Portland and, consequently, the information has to be relayed to Portland before it can be answered properly. It takes ordinarily about
1348 twice as long to trace through a connecting line as it would on a through service.

Q. Another point mentioned by Mr. James was the difficulty arising from misloading in through trailers. Do such difficulties come directly to your attention at Portland?

A. Yes; they do.

Q. And would you explain them?

A. Well, maybe I can cite an example. We unload a through trailer at Portland and find five pieces of freight or so in there marked from a shipper in Frisco——

Q. (Interrupting.) San Francisco, please.

A. San Francisco—to a consignee in North Bend, Oregon. We dead-head this back to North Bend by the first return equipment. At best it is 24 hours late but unless the destination station can connect it up with the bills, or perhaps they haven't received the bills yet, it causes further delay, maybe several days.

We receive this freight continually at Portland for all points south. For instance, from here, from Portland to Medford, coast points, occasionally we get freight that belongs in central Oregon, in Klamath Falls, and not infrequently we get freight destined

for points in California and Nevada on the other carrier's line that has to be returned, which causes several days delay.

Q. Do these mistakes in loading through trailers to points on your line occur frequently or rarely?

1349 A. They occur every day.

Q. Why don't you pull that freight off at Medford and transfer it to the truck which will give the service to the intermediate points?

A. Because Medford doesn't know it is on the through trailer. Medford receives the bills in with the transfer bills, or in the case of California-Nevada points they wouldn't receive the bills at all. Then they wouldn't know which through trailer it was on. There might be one or two that day. Even if they did know it was on the through trailer they wouldn't know what position it was in the trailer, whether in the front or the middle, and the consequent rehandling of the whole load to locate maybe one to five shipments, would cost more, and cause more delay, than carrying it by and returning it.

Q. Well, doesn't Medford have the bills of such freight?

A. They have the bills on all freight destined into Oregon beyond the Oregon-Nevada-California Fast Freight Lines, but it checks short, according to their records, and they check every rig that comes in for these bills.

Q. For the bills or the freight?

A. For the freight, rather. It has been so frequent, however, that Medford has the policy of marking on the bills, "Checked short to receive. Check for this freight ahead." They send them to the destination station. This minimizes the delay

1350 and is about the best we have been able to do.

Chairman TERRIL. Would you mind deferring further questions until afternoon?

Mr. SCHAFER. All right.

Chairman TERRIL. We will recess at this time until two o'clock.

(Whereupon, at 12:00 noon a recess was taken until 2:00 p. m.)

AFTERNOON SESSION—2:00 p. m.

Chairman TERRIL. You may proceed, Mr. Schafer.

ROBERT ASHBY, previously sworn, resumed the stand and testified further as follows:

Direct examination (resumed) by Mr. SCHAFER:

Q. There is one more disadvantage that Mr. James stressed and, I think, it is No. 12, dealing with misrouting. In your work at Portland do you have any experience with this type of error?

A. Yes; we do. We are very familiar with this. For example,

we will have a case of ten cartons and they will arrive at Portland without bills, marked from a shipper in San Francisco, or are for a consignee at Portland. If they don't we trace
1351 Medford and San Francisco for the billing. At the same time a foreign line may receive the bills and start tracing south for the freight. It is not until Frisco, or Medford, can check this up and advise that we get the freight connected with the bills and get it delivered.

Q. What do you mean by a "Foreign line" in that instance?

A. I mean the competing carrier that connects also at Medford with Oregon-California Fast Freight.

Q. You have the freight and no bills, and they may have the bills and no freight?

A. Right.

Q. And instead of running over to each other's place of business you start to tracing for what you haven't got?

A. Right; because we don't know that he has the bills. Sometimes we question them, but they don't know they are short yet. At first this was just thought to be an infrequent occurrence, and we just turned over this freight without any charges for our haul on it; but as it got to be more frequent we finally notified the other line that we would have to collect charges for hauling of it if they had the bills and, in turn, we would pay them for any freight they hauled on which we had the bills. In the past this has occurred mainly with Pierce Auto Freight, but now that they are running through I don't know whether it will continue to. I know there have been some instances already where Bend-Portland has had bills on shipments which we hauled on
1352 through trailers to Portland and we had it turned over to them.

Q. Are there any further disadvantages that come to your attention?

A. Well, there is one other point I would like to explain. I don't know just where it fits in with Mr. James' testimony, but in the case of bills coming into Medford, and the freight is indicated as being on a through trailer, the bills are forwarded to Portland with that equipment and then the freight arrives at Medford on a transfer rig, checking over at Portland without bills. Sometimes Medford will be able to catch this and get the bills in on the next rig, but frequently it is a day and causes that much more delay to the consignee of the shipment.

Mr. SCHAFER. That is all I have on direct.

Chairman TERRIL. Cross-examination?

Cross-examination by Mr. ELLIS:

Q. Your jurisdiction covers what territory?

A. Portland, and shipments we turn over to connecting carriers out of Portland.

Q. And your testimony as to the total number of O. S. & D. claims per day, I believe you said was an average of 50?

A. About 50.

Q. Those cover all claims in what states?

Mr. SCHAFER. Now, these aren't all claims. He testified that he had about 50 such mix-ups to straighten up daily.

1353 They are not all claims. They are O. S. & D. mix-ups. They are not claims until the shipper or consignee presents a claim.

Mr. FARRENS. The claims, I take it, are less than this number?

Mr. SCHAFER. An S. & O. isn't always a claim. You may explain that if you wish.

The WITNESS. The 50 covers mix-ups that we get at Portland on freight each day.

By Mr. ELLIS:

Q. That covers what territory?

A. That covers freight moving into Portland and moving beyond Portland by connecting lines, and moving from Portland south.

Q. All that moves to or through Portland?

A. That is right; but doesn't go to Seattle or Spokane.

Q. How many of those mix-ups, 50 mix-ups, actually result in claims?

A. Well, I am not in a position to answer that because I am not in the claim department and don't see how many claims come in.

Mr. SCHAFER. We have a claim witness here, although I am not sure he will be able to answer that question.

By Mr. ELLIS:

Q. Well, you know nothing whatever about the claim end of the business?

A. I wouldn't know how many result in claims.

Q. Now, this 10 mix-ups per day, that figure includes, as I understand it, shipments not only from California points to

1354 Portland, but to points north and east of Portland?

A. No; that does not include points on our own lines north and east of Portland.

Q. But it does include points on the lines of connecting carriers?

A. That is right.

Q. Beyond Portland?

A. That is right.

Q. Do you know how many of this 10 mix-ups occurred at points other than Medford?

A. No; I couldn't state just what proportion of it—you mean that was caused at the transfer point?

Q. That didn't happen at the Medford transfer point.

A. Well, that 10 doesn't cover any mix-ups that we would have at Portland between a connecting carrier and our lines. It doesn't have any relation to that. It is mixed up before we turn it over to a connecting line.

Q. You have included in the 10 only the mix-ups that occur at Medford?

A. That occur with the Oregon-California and don't occur with the northern carriers.

Q. That would include mix-ups that might result from the negligence or mistakes of Consolidated employees as well as those made by employees of other carriers?

A. Yes.

1355 Q. Are you able to say how many of these mix-ups resulted from the negligence or error of your own employees?

A. No; I wouldn't know what the proportion would be.

Q. But, as I understand your testimony, you anticipate that all of these Medford mix-ups have already been eliminated by the fact that Pierce Auto Freight Lines are now operating through service from Portland to San Francisco and are now interchanging little freight with other carriers at Medford?

A. Well, certain types of mix-ups, not all mix-ups, would be eliminated by that. Besides, we have been having the same kind of difficulty with Bend-Portland as we formerly were having with Pierce.

Q. Isn't it a fact that the larger percentage of your mix-ups at Medford resulted from the fact that both Consolidated and Pierce were interchanging freight with O-C at Medford and mix-ups result from clerical errors, or from the fact that the wrong carrier got the freight at Medford?

A. Well, I wouldn't say the majority, no, because a great deal of the mix-ups are due to the loading of through trailers with freight destined for points intermediate to Portland which Pierce wouldn't have anything to do with at all.

Q. But the Pierce situation was an important factor?

A. We have that type, yes, getting on the wrong line.

Q. And aside from the loading of local freight in through trailers, the through operations, or the shipments which moved in the through trailers, were not involved in mix-ups, or

1356 did not create mix-ups, but your mix-ups resulted in connection with local freight which is transferred at Medford and local freight which, through error, was loaded in a through trailer?

A. Yes; I believe that is right.

Mr. ELLIS. That is all.

Mr. SCHAFER. I would like to have the last question read, please.

Chairman TERRIL. Read the question, Mr. Reporter.

(The question referred to was read by the reporter as above recorded.)

Mr. SCHAFER. Are you sure you understand that question?

Chairman TERRIL. I am frank to say I do not understand it.

Mr. SCHAFER. Neither do I.

Chairman TERRIL. Suppose you try it again?

Mr. ELLIS. I am satisfied. I can explain what I meant. What I meant was that they had no difficulty with through freight moving on through trailers.

The WITNESS. No; I don't mean that. I thought, in your question, you meant that there were errors on freight moving on through trailers and transferred at Portland, besides freight that was misrouted. In other words, getting——

Chairman TERRIL. Suppose, Mr. Ellis, you reframe your question and get another answer.

1357 By Mr. ELLIS:

Q. On freight loaded in through trailers at San Francisco moving direct to Portland, or freight loaded in through trailers at Portland moving to San Francisco, these mix-ups, as I understand it, did not formerly occur?

A. No.

Mr. ELLIS. That is all.

By Mr. BEROL:

Q. Mr. Ashby, with respect to these difficulties to which you have testified, would you say that they are due to the failure of proper cooperation by either your company or the Oregon-Nevada-California Fast Freight, or to some other cause?

A. No; I wouldn't say they are due to any lack of cooperation. In fact, we have them with all connecting lines in a lesser degree because the volume is so much smaller. If the same volume was moving via another connecting line I imagine we would have just as numerous instances of mix-ups.

Q. In other words, it is your view that the cause is inherently due to the necessity of interchange?

A. That is right.

Mr. BEROL. That is all.

By Mr. HICKSON:

Q. Do you intend now, by your testimony here to this Board, to convey the impression that the same percentage of overs, shorts, and damages, those claims, occurs generally in all instances where two or more carriers are interchanging traffic? Is that a

Q. Would it be fair to say that the error, or neglect, whatever it may be that brings about these discrepancies and losses, is chargeable about 50 percent to the Consolidated and 50 percent to the Oregon-California Fast Freight?

Mr. BEROL. To which I will object on the ground that no proper foundation has been laid. The witness has already indicated he made no check or investigation. His answer would be purely speculative.

1362 Mr. SCHAFER. Furthermore, it would be repetition. He already stated that as far as he knows they are as much at fault as Oregon-California is.

Mr. HICKSON. That is fine, if he admits they are as much at fault as other carriers. That is all I want to develop on that.

By Mr. HICKSON:

Q. One other point, Mr. Ashby. Can you recall what percentage of that 35,000 pounds per day moves on through trailer and what percentage is interchanged?

A. Can I testify to that?

Q. Can you?

A. No.

Mr. SCHAFER. I will have a witness on that.

Mr. HICKSON. You will?

Mr. SCHAFER. Yes. He can give you a good idea, but it wouldn't be an exact division.

Mr. HICKSON. That is all.

By Mr. IVERS:

Q. Mr. Ashby, when you answered Mr. Berol's question that all of these difficulties to which you were testifying were inherent in an interchange operation, did you mean to include in that that the instances created by the loading of intermediate freight in through trailers was inherent in an interchange operation?

Mr. BEROL. May I have the question read? I am sorry, but I lost it.

1363 Chairman TERRIL. Read the question.

(The question referred to was read by the reporter as above recorded.)

A. Well, it all depends. Not all operations like that run through trailers.

By Mr. IVERS:

Q. I am not asking you that. I am asking you if you intended to convey the impression that that type of difficulty was inherent in an interchange operation.

A. Of misloading on through trailers?

Q. Yes.

Mr. SCHAFER. I am going to object to that as beyond the scope of direct examination. This witness was put on to testify to actual instances. Mr. James has already testified that it was inherent as far as that goes. This witness hasn't been qualified to testify on that point.

Chairman TERRIL. The objection will be overruled. I can understand the question and I think the witness can.

A. You mean where one is operating a through trailer and the other there is an interchange, and you mean is it inherent in the interchange of freight?

By Mr. IVERS:

Q. Is it?

A. I couldn't see how you would have a misloading on a through trailer—if they didn't use through trailers in another interchange of freight.

Q. Let me ask you this, then: Can you see any differ-
1364 ence in the number of times that such a difficulty would occur on a single line through operation as against a two-line through trailer operation?

A. Yes; because a through line, as has been stated before, the employees of one line are all familiar with the points served by that line, and familiar with the loading set-up of that line, as compared with a connecting line that wouldn't have that knowledge of it.

Q. You think that after ten years of continuous experience in loading through trailers that the employees of a connecting line would be more ignorant of the intermediate points through which a through trailer would pass than the employes of a single line operating in the same territory?

A. After ten years I wouldn't know how it would be. We have only been running them a short while.

Q. But the connection has been operating for ten years?

A. I guess it has.

Q. And connecting freight has been routed for ten years?

A. Yes; I believe so.

Mr. IVERS. That is all.

Chairman TERRIL. What you meant is that you have not been operating through trailers for a short period only?

The WITNESS. Yes.

By Mr. FARRENS:

Q. Mr. Ashby, when you gave the total number of daily
1365 mishandlings of which you take care, and then the number of daily mishandlings which arose out of the San Francisco-Portland operation, was that given for the purpose of drawing some comparison between those two sets of figures?

A. Well, Mr. Schafer asked the questions and that may be the reason.

Mr. SCHAFER. What is that?

By Mr. FARRENS:

Q. Well, on that point did I understand from your testimony that the number of daily mistakes on the San Francisco-Portland operation was not out of proportion with the volume of traffic?

A. That is right. It wasn't out of proportion.

Q. Then insofar as a comparison of these 10 claims, or mishandlings, occurring on a Portland-San Francisco run, with the total of such, you feel that the mistakes are not more frequent on that run than they are on your other interchanges?

A. No.

Q. You really mean "Yes" don't you, that they are not more frequent?

A. Yes; they are not more frequent.

Q. Now, from the standpoint of these errors you would regard the Oregon-Nevada-California just as efficient operators as your company?

A. That is right.

Q. And if the employees of the Oregon-Nevada-California Fast Freight carried freight past some of their northern California stations, which should have been delivered at such stations,
1366 and took such freight on to Medford and delivered it to you, such an occurrence would be just as likely to happen in the event it was a single line operation operated by your company, isn't that true?

A. I don't think it would be true. Just like I answered the other question—Oregon-California is just as efficient over their operations as we are over ours.

Q. That is what I am talking about, the failure of Oregon-California to deliver freight from San Francisco to some points in northern California, or on their own line, with the result that that shipment moves on to Medford when it should have been put off the truck in northern California, and is delivered to you. Now, if that kind of a mistake can be made by Oregon-Nevada-California employees with respect to freight originating at and destined to points on their own lines, then if you were operating over the territory between San Francisco Bay and Medford and your operation were no more efficient than theirs in those particulars, you would be just as likely to make that same mistake, wouldn't you?

A. That is right; but that isn't the biggest portion.

Q. You mentioned that in your direct testimony?

A. Yes. I said it was not infrequently that we received such.

Q. You agree that that mishandling is not inherent in a joint line operation any more than it is in a single line operation, don't you?

A. Well, I would have to agree to that, I guess, on that
1367 point.

Q. Well, now, among the fourteen points mentioned by Mr. James at Portland the eighth point was the existence of a lack of cooperation——

Mr. SCHAFER (interrupting). Just a minute. That is entirely outside the scope of direct.

Chairman TERRIL. Let us have a complete question, please.

Mr. FARRENS. At this point I would like to say that throughout this hearing I have accorded counsel for the applicant the courtesy of not interrupting him in the middle of his questions. I have not addressed myself to counsel. When I have spoken at all it has been only to make an objection. I would like to be accorded that same treatment and be protected by the Board if I don't receive it.

Chairman TERRIL. As far as the Board is concerned counsel in this case will receive that protection as far as I am able to enforce it.

Mr. FARRENS. Now, may I have the question as far as I went?

(That portion of the question referred to was read by the reporter as above recorded.)

By Mr. FARRENS, continuing:

Q. On the part of Consolidated Freightways employees in connection with the handling of joint line business. Have you noticed such a lack of cooperation?

1368 A. Not in my correspondence with them I haven't noticed it. I can't speak of them generally because I don't know all the different problems that arise.

Q. Have you seen any lack of any such cooperation on the part of Consolidated Freightways' own employees?

A. Well, I couldn't speak for all the employees. I can speak for my end of it.

Q. As to your end of it, what is your answer?

A. Oh, I would say we cooperate as much as we can.

Q. And are you such an employee as does not furnish an equal amount of cooperation on joint line traffic as you do on single line traffic?

Mr. BEROL. Is it permissible for me to object to the question on the ground that the answer might incriminate or degrade the witness?

Chairman TERRIL. Well, now——

Mr. BEROL. (Interrupting.) I am not objecting. I am merely asking if it would be permissible.

Chairman TERRIL. It might be, but I think the objection would be overruled.

Mr. SCHAFER. What was the question?

(The question referred to was read by the reporter as above recorded.)

A. I don't know. I am not the judge of that.

By Mr. FARRENS:

1369 Q. What do you think about your efforts, are you conscious of any lack of cooperation on any type of traffic as compared with the other, on your own part?

A. I am not conscious of it; it might happen, though.

Q. Now, on this question of checking overs and shorts and damages, if there is a missing piece of freight on a single line operation between San Francisco Bay and Portland, you would have to check the entire line, would you not, in order to locate the missing piece of freight?

W. We would first check the point of origin, the original point of origin, and if it got out of there all right then we would know just where to look.

Q. If it got out of there all right you would have to look from San Francisco Bay to Portland?

A. Not necessarily. We would know how the equipment was loaded, where it stopped, and so forth.

Q. At about how many places does an average movement of equipment stop between San Francisco and Portland?

A. Well, I don't know.

Q. Would it stop at a good many places?

A. A through trailer comes clear through as far as a truck is concerned. We might have a whole truckload coming right through to Portland, or part for Eugene and part for Portland; it would vary.

Q. Or you might make no stops?

Mr. SCHAFER. Do you know where they stop?

1370 The WITNESS. I am not prepared to say.

Mr. SCHAFER. Well, do you know?

The WITNESS. No.

By Mr. FARRENS:

Q. When you make a check, suppose that your records show that a lost piece of freight has been delivered to your line at Medford but it doesn't show up at Portland. What do you do to check the whereabouts of that lost piece of freight?

A. You mean it is checked through Medford?

Q. You received it at Medford but it isn't in your truck when it arrives at Portland. How do you check such a lost piece of freight?

A. It would be by correspondence.

Q. Would you check every point where that truck had stopped on that trip?

A. That is right; probably would.

Q. That is the method of checking, isn't it?

A. Yes.

Q. All right. Now, if that was a through operation from San Francisco to Portland you would have to check every place where that truck stopped between San Francisco and Portland, wouldn't you, if it moved out of point of origin and *was not delivered* at Portland?

A. Probably would.

Q. But in the case of an interchange operation, such as
1371 you have at Medford, after checking to see whether it moved out of point of origin your next check would be at Medford to see whether or not it had been interchanged?

A. Yes.

Q. And if you found it had been interchanged at Medford, and you were told it was lost on the southern part of the route, you would then know it would be lost on the northern part of the route, wouldn't you?

A. Yes.

Q. And that automatically would narrow your search down by half so instead of having to check all the stations between San Francisco and Portland and intermediate points between those points you would only have to check the half where the loss was located, isn't that true?

A. Well, yes; we would only have to check between Medford and Portland if it had gotten through there.

Q. So, as a matter of fact, the interchange at Medford happens to furnish you with a method of check which reduces by 50 percent the effort in locating a lost piece of freight as compared with the through operation between San Francisco and Portland, isn't that true?

A. Well, I don't know just how the points would be served in California, and how they are served now. It would depend on the equipment and whether it was loaded clear through, or the intermediate stops.

1372 Q. I see what you mean. You mean that the number of stops between San Francisco Bay and Medford might be either more or less than the number of stops between Medford and Portland and for that reason you are not able to make an exact division in the 50 per cent, is that the point?

A. Yes.

Q. But assuming that there were as many stops made between San Francisco Bay and Medford as between Medford and Port-

land, you would have reduced the labor of locating that lost shipment by 50 per cent, wouldn't you, because of that check at the interchange?

A. In that particular case.

Q. Now, in the case of the loading of a trailer with through traffic from San Francisco to Portland, the interchange at Medford means nothing but the interchange of motive power, doesn't it? You don't open the through trailer at Medford, do you?

A. No. We sometimes, I believe, have to change some of the freight account of the weight restrictions. I am not familiar with that angle of it, but I believe we do.

Q. You don't make a check of the through trailer operations at Medford as to contents?

A. Don't check all the freight; no.

Q. So that with respect to that operation on the matter of checking loss and damage claims the situation is identical on
1373 the interchange operation with what you would have on a single line operation, isn't that true?

Mr. SCHAFER. I would like to address an objection to the Board to this line of questions. I called the witness and asked a few questions, and I confined my questions to his experience at Portland. This is his first time on the witness stand and counsel has now got him testifying about something he confesses he knows nothing about. His experience is limited to Portland. I am going to have a Medford witness on the stand to testify to what happens at Medford, and how long it takes to handle that freight, and the other details. Counsel has taken this man out on the line and repeatedly he says he doesn't know about it and yet counsel continues to ask questions calling for direct knowledge of the situation.

Mr. FARRENS. If the Board please, I am inquiring now concerning loss and damage claims on a through trailer operation between San Francisco and Portland, where every bit of loss and damage would be handled at the Portland end, where the truck is opened, and such shortage as occurs would be handled by this man.

Chairman TERRIL. In respect to those questions I think this witness should be required to answer.

Mr. SCHAFER. I agree on that point. But to ask this witness where the truck is opened down the line, and if any freight
1374 is put on or off at Medford, is outside the scope of direct, because the witness said he doesn't know what happens. Yet the same questions are asked over and over again.

Mr. FARRENS. I will meet that objection, if sound, by asking another question.

By Mr. FARRENS:

Q. Assuming that through trailer operation is just what it sounds like, that it is loaded in San Francisco, or San Francisco Bay points, and moves on to Portland without the lading being checked at the Medford interchange, then the O. S. & D. situation presented by that movement is identical with the O. S. & D. situation that would be presented by a single line operation of a through loaded trailer from San Francisco Bay points to Portland, isn't that true?

A. It is except that with a through line the employees, as we have said before, would have the knowledge of the other's points and the order that it was loaded might be entirely foreign to the way the other line was operating.

Q. Now, knowledge with respect to local points, Mr. Ashby, doesn't mean a thing with respect to the handling of a loaded trailer containing nothing but termini to termini freight, does it, San Francisco to Portland, and thereby a knowledge of intermediate points means nothing, does it?

A. Yes; that is right.

Mr. SCHAFER. I would like to have the question read.

(The question referred to was read by the reporter as above recorded.)

1375 By Mr. FARRENS:

Q. Now, this morning, Mr. Ashby, there was introduced in evidence in this case exhibit No. 12, consisting of a letter written by Mr. James to Mr. T. S. Carter, Mr. Joe Gritsch, and others, dealing with the question of cooperation and the handling of interchange business. That letter in part reads this way:

"There would be no problem of thru-billing. If the shipment was moving from Los Angeles to Seattle, Los Angeles would bill it on the system bills and the shipment would move through on the original billing with a passing record being made at the points where the shipment is interchanged from one company to the other. All of the agencies of each company would report directly to the home offices of each company. This would eliminate settlements in route. On a shipment from Los Angeles to Seattle the Los Angeles office would show on the bill the splits accruing to the various carriers. If the shipment was a collect shipment the Seattle office of Consolidated Freight Lines would remit to Consolidated Freight Lines their proportion of the revenue; to Oregon-California Fast Freight its proportion of the revenue; and to the California Motor Express its proportion. If the shipment was a prepaid shipment, Los Angeles would remit to each company its respective proportion of the revenue. On such shipments the originating station would furnish the main

office of each company with a copy of the bill, which
1376 would be used by the main offices of each company for general accounting.

"We could arrange it so that each agency would collect c. o. d. money and remit it directly to the shipper with copies of their draft to the main office of the company that originates the shipment so that they would have a clear record of the payment and c. o. d.

"We would adopt a uniform method of tracing shipments and reporting overs and shorts."

That letter was written in 1938 on October 14. You have been with the Company in this position as clerk of O. S. & D. matters, haven't you, during that period that he mentioned?

A. Yes.

Q. Has there been adopted any uniform method of tracing shipments and reporting overs and shorts between yourself and Oregon-Nevada-California Fast Freight?

A. Yes; there is some uniform set-up there. I think the claim department of the general offices of our company put it in effect more or less and I am not familiar with just how the set-up is.

Q. Do I misunderstand your function as an O. S. & D. clerk? Aren't you the one for your company in Portland who traces shipments and reports overs and shorts?

A. That is right.

Q. Well, what is the uniform method which you and
1377 your company on the one hand and Oregon-Nevada-California Fast Freight on the other hand, have adopted?

A. Well, we issue our reports and send them down to the connecting carrier on our own forms just as if they were one of our own agency stations, and they send their reports to us the same way.

Q. And that is exactly what will be done by the San Francisco office and the Portland office of a single line operation, isn't it?

A. Yes.

Q. Does that work out all right?

A. Well, it works to a certain extent. There is still a lot of information that has been relayed through the transfer points down there.

Q. Wouldn't that be true with respect to divisional points on a single line operation?

A. Well, we don't seem to have this trouble on our single line where we have a through haul.

Q. You are entirely without difficulty between Portland and, we will say, what is your eastern termini—Minneapolis?

A. Minneapolis.

Q. You don't have to work through intermediate points there at any time?

A. You mean shipments originating at Minneapolis or——

Q. (Interrupting.) At Minneapolis destined to Portland.

1378 A. Minneapolis to Portland, we send our reports to them and they answer direct. We maintain a transfer record of the freight bills and generally between the two stations we straighten it out.

Q. Would the issuance of through bills of lading and the issuance of freight bills in duplicate sets, which would be sent immediately by your office to the San Francisco office of O-N-C, or vice versa, be of assistance in this O. S. & D. difficulty?

A. Oh, I imagine if every point had through billing direct it would help it; yes.

Q. And if at the point of origin duplicate freight bills were issued, one of which would be sent directly to your main office in Portland, would that be of assistance, or is that being done now?

A. No; it is not being done now. I don't know just what assistance it would be. We would have to wait until the shipment arrived to find out if anything was wrong with it anyway.

Q. But if it didn't arrive, and that copy of the freight bill was mailed directly from the San Francisco office of O-N-C to your office, you would know it should arrive, wouldn't you, you would have advance knowledge of a short if it didn't come?

A. Well, if the bills and freight didn't arrive, why it 1379 wouldn't be actually short at Portland and might be held up for some reason.

Q. Now, with respect to this O. S. & D. handling between Minneapolis and Seattle, in that operation is there any interchange, or transfer of lading to or from your trucks, or does all of it move through without being unloaded?

A. From Minneapolis?

Q. Yes; to Portland?

A. No; it doesn't move clear through in a through truck.

Q. Isn't there just as much chance of difficulty when you transfer lading on one of your own trucks at some divisional point as there is at Medford?

A. Well, it is a different set-up than transferring with a connecting carrier because we have our own method of handling transferring and loading and all that.

Q. Well, is there any reason why you and the O-N-C shouldn't adopt a method of handling it at Medford that would be of a uniform character?

A. Well, I think they have done everything they could. I am not familiar with how they operate myself.

Q. Now, let us say that a shipment starts from Minneapolis destined to Portland on your line as a single line haul. What is your tracing procedure in the event such a shipment is lost?

A. Trace Minneapolis.

1380 Q. Suppose Minneapolis reports that it was loaded out of Minneapolis?

A. We try and find out if and where the freight was transferred.

Q. Where would be the first transfer point you would check?

Mr. SCHAFER. Explain a typical example of a shipment lost from Minneapolis. Explain just what you do.

Mr. FARRENS. That is what I want him to do.

A. If a bill comes in from Minneapolis and checks short we trace Minneapolis. On the bill also it has a stamp showing where the freight was transferred.

By Mr. FARRENS:

Q. How many transfers would such a bill show?

A. It depends; it varies.

Mr. SCHAFER. Would you also trace the transfers——

Mr. FARRENS (interrupting). Just a minute.

By Mr. FARRENS:

Q. How many would be the maximum and how many would be the minimum number of such transfers?

A. Oh, I don't know. I think the minimum would be about twice .

Q. And a maximum of about what?

A. I couldn't answer that; I don't know.

Q. It might be something more than twice?

A. It might be.

Q. Would it normally be more than twice?

1381 A. I couldn't say as to that.

Q. All right. Let us take this shipment and assume that the bill shows two transfers, and then it is reported out of Minneapolis. What is your next step?

A. We also give a copy of that tracer to the points where it is transferred.

Q. Then what happens?

A. We then await advice from those transfer points.

Q. Now, when you have a short from San Francisco to Portland you first inquire from the San Francisco offices of O-N-C, which shows it was loaded out there, and you then furnish a copy of that tracer to Medford, don't you?

A. Yes.

Q. Just the same as you would on these two interchanges between Minneapolis and Portland?

A. Yes.

Mr. FARRENS. I think that is all.

Redirect examination by Mr. SCHAFER:

Q. Do you trace a shipment from San Francisco by pro number, or by the name of the consignee and consignor? Tell the Board what you do for a living and don't try to—there is nothing to be avoided here. I would like to have you testify frankly as to just how this happens. You have said that it takes twice as long to trace a shipment through a connecting line. Now,
1382 You say it doesn't take twice as long and there is no difference whatever in the manner of doing it. Do you trace a shipment from San Francisco by pro number or from Oakland?

A. You mean if it is short? If it is short we trace the pro number. If it is from——

Q. (Interrupting.) Say it is from Oakland.

A. All right. If it is from Oakland, if short, we trace the pro number.

Q. Do you have the pro number from Oakland?

A. It shows on the bills; in the body of the bill it gives the reference.

Q. Well, is that true of all other points in California that are served by this connection?

A. Well, I am not sure. I think they are supposed to show the pro number in the body of the bill.

Q. Now, in what respect is it more cumbersome to trace a foreign line than it is to trace your own line? Just state in what respects it is more difficult, if it is.

A. Well, we issue a tracer to Medford and also send a carbon copy to the connecting line. We may get an answer from Medford as to their record of the billing there but——

Q. (Interrupting.) What do you mean you "may"? What do you get usually? Just give us a typical example of a shipment from San Francisco when you have the bill and haven't the freight, and when you have the freight and haven't the bill.

1383 A. We trace both points, but generally the answer is from Medford and then Medford again traces Frisco for the information before we get it.

Q. San Francisco; please.

A. San Francisco.

Mr. BEROL. May I make the gratuitous remark that I think I am the only San Franciscan around this counsel table and I certainly will waive any objection to the use of the term used by the witness.

Exam. KEPHART. I used to live here fifteen years ago.

Mr. BEROL. May I speak for the Examiner?

Exam. KEPHART. I am not so sure I am speaking for Mr. Brown at the same time.

Chairman TERRIL. Do you object to building a record on these remarks?

Mr. HICKSON. I am not objecting to that, going over the story again that Mr. Farrens took him through.

Mr. FARRENS. I am not going to object because counsel intimates his witness wasn't frank with me and we want some frank testimony.

Mr. SCHAFER. That is exactly the information I intended to give. This witness has never been on the stand before and I believe he is a little confounded by the skill of counsel.

By Mr. SCHAFER:

Q. I would like to have you take a typical example of a
1384 shipment from California, one you have ten times a day and tell us in words we can understand how you trace it.

Mr. HICKSON. I understood it very clearly from his cross-examination.

Mr. SCHAFER. I don't understand it from anything.

Exam. KEPHART. What does the word "pro" mean, proposition, professional, or what?

Mr. JAMES. Waybill number.

By Mr. SCHAFER:

Q. Will you take a shipment from San Francisco to Portland and tell us just the mechanics of tracing it? I don't understand it from your testimony.

A. Take a shipment for which the bills arrive at Portland and it is short. We make a short report on it.

Q. What is a short report?

A. It is a form we use showing a shipment checked in at Portland one or more pieces short to receive.

Q. You mean by that that you haven't all the freight the bills call for?

A. Right.

Q. And that is a short report?

A. Yes; right.

Q. Where do you send that?

A. To Medford and San Francisco.

Q. And who replies on that?

A. Medford and San Francisco; but generally Medford has to advise and then trace San Francisco and then they advise.
1385 Sometimes they advise Medford and Medford relays the information to us.

Q. And in what respects is that different from tracing a shipment from, we will say, Butte, Montana?

A. Because generally Butte advises us direct while the connecting lines will advise the junction station's records and then the junction station in turn advises us.

Q. Now, did I understand you to testify, in response to Mr. Ellis' question, that there was no mix-ups on through trailers?

A. I don't recall.

Q. Do you or do you not have mix-ups on trailers loaded through from San Francisco to Portland?

A. That is right; we do.

Q. You do?

A. Yes.

Q. I am not sure but what this is already in the record——

Exam. KEPHART. In that case isn't the trouble at the point of origin or destination only on through trailers, if the load is not disturbed en route?

The WITNESS. Yes.

By Mr. SCHAFER:

Q. What are the mix-ups that occur on a through trailer?

A. They ride freight past possibly where it should be delivered at.

Q. Do you have through trailers to go through as far as
1386 Seattle?

A. Yes.

Q. Do you find freight on those trailers also destined to points where a transfer was necessary at Portland?

A. Yes; but Seattle is more familiar with that than I am.

Q. You stated that you have been connecting for about ten years. By that do you mean you have been using through trailers for only a short time?

A. Yes.

Q. Prior to the use of through trailers was there any occasion for an Oregon-California loader to load—I will waive that question. I think it is obvious anyway.

In response to one of the attorneys' questions, I forget which one, you stated, I believe, that the total number of mix-ups occurring in connection with Oregon-California Fast Freight was out of proportion with the total traffic. How was that——

Mr. FARRENS (interrupting). Not out of proportion in San Francisco.

By Mr. SCHAFER:

Q. You said it was in proportion. Do you mean you have the same percentage of errors in connecting line freight as you have with freight moving over your own line?

A. No; I didn't mean that.

Q. What did you mean by that?

1387 A. I mean the percentage of errors on connecting line freight was the same in proportion to our connection with Oregon-California as it would be with another carrier, the volume.

Q. Some other connection?

A. Yes.

Q. In other words, if the volume of the other connection was 1 to 10, with the California-Oregon, you would expect the error to be in about the same percentage?

A. That is right.

Q. You testified, in response to Mr. Farren's question, that if you operated through you would expect the same percentage of errors as you now encounter. I believe you testified on direct that you have considerably fewer errors in proportion when you operated through. Now, you have got two conflicting statements in the record, Mr. Ashby, and it will have to be clarified.

Mr. FARRENS. I object to that question. In the first place, he hasn't got conflicting testimony in the record. My question related only to the carrying by Oregon-Nevada-California of parcels of local freight originating at San Francisco and destined to points on its own line in northern California, Medford, and delivered there to Consolidated Freightways, and as to that he testified that the Oregon-Nevada-California Fast Freight operation, in his opinion, was as efficient as their own, and that if they

1398 were operating between San Francisco and Medford their own employees would be just as likely to make the same mistakes that the O-N-C employees made.

By Mr. SCHAFER:

Q. Are you here testifying to any errors between San Francisco and Medford on freight destined to Medford?

Mr. FARRENS. That question is objected to. He did testify precisely what I said.

Chairman TERRIL. My recollection on the testimony is in accordance with Mr. Farrens' statement, that he said that the same percentage of error might occur as to a delivery of freight to northern California points if Consolidated was operating over their line, as occur the way Oregon-Nevada is operating at the present time.

Mr. SCHAFER. I cannot see that this is even in the case. We are not even applying for rights to serve that.

Mr. FARRENS. I asked the question on cross-examination concerning that specific point which he testified to on direct.

Mr. SCHAFER. I still must confess that I am as much bewildered as anybody here.

Chairman TERRIL. Mr. Schafer, if you think the witness has confused his testimony I will allow you to inquire on that.

The WITNESS. I think I can explain.

By Mr. SCHAFER:

Q. Will you try?

1389 A. I said on this misloading on a through trailer it is not infrequently that we get freight off these through trailers that was destined for points in California and Nevada and that we have to return them and, I believe, that is what brought the statement up.

Mr. FARRENS. Yes.

Mr. SCHAFER. I am sorry I took up the time.

The WITNESS. It is just a small section of it.

By Mr. SCHAFER:

Q. Now, if this volume of freight were loaded through from San Francisco to Portland with no interchange at all en route, and doing no local business in California, would there be any occasion for you to trace all intermediate points in the event of a loss?

A. No; it wouldn't.

Q. Would you say then that the—strike that.

I believe you stated that the fact that you now have an interchange with Oregon-California at Medford reduces your tracing effort 50 percent over what it would be if you operated through. Is that what you meant to testify?

Mr. FARRENS. Now, I object to that question on the ground that it constitutes an impeachment of counsel's own witness.

Mr. SCHAFER. Does it constitute your understanding of the question?

The Witness has testified one way for you and one way

1390 for me and I now want to clarify this point.

Mr. FARRENS. I submit that he has not done anything of the sort.

Mr. SCHAFER. Will you explain the point there that you had in mind, Mr. Farrens?

Mr. FARRENS. I think the cross-examination was entirely clear as to the interrogatories directed to the witness on that point and that his answers were entirely clear. I submit to the Board that that is the fact.

Mr. SCHAFER. I will submit to the Board that the witness is obviously confused by these long-entangled questions, and I am too, and I don't know what the witness has testified to and I would like to have the record clear.

Exam. KEPHART. Why not assume what the witness testified to was intended to be correct and is correct, and let the record speak for itself?

Mr. SCHAFER. I will let that point stand. That is all with this witness.

Chairman TERRIL. I have one question to ask. Mr. Ashby, did you notice any substantial reduction in your mix-up claims, we will say—I believe that is the way you describe them—at the time that the operation of through service was adopted between San Francisco and Portland?

The WITNESS. I can't recall now making any comparison at the time, and I can't remember whether there was a reduction
1391 or not. The claims department might be able to testify whether there was a reduction in claims.

Chairman TERRIL. You have no recollection of any reduction, or any change, so far as your particular observation is concerned?

The WITNESS. Well, I didn't keep any record of the change, if there was any.

Mr. SCHAFER. That is all I have.

Re-cross-examination by Mr. FARRENS:

Q. Counsel called your attention to the fact that unless the Consolidated Freightways does intrastate business in California it would be making no deliveries of shipments from San Francisco to northern California points, and that such errors as carrying past northern California points could not occur. But they could occur by carrying past Oregon points which you do serve locally on the south-bound movement in carrying shipments into the California territory, couldn't they?

A. Yes; it is possible.

Q. And you would be making deliveries in northern California of interstate freight on the south-bound movement from points in Oregon, or points beyond Oregon to the north, wouldn't you?

A. I don't know just what the points there are.

Q. On redirect it is my understanding that you have advised us that the difference between the results of your tracing,
1392 in the case of a lost shipment on a single line haul on your Company's operation between Portland and Butte, or Portland and Minneapolis, differs in this one respect only: That when you trace your divisional point and your point of origin, you get a prompt reply from both offices on your line.

A. Yes.

Q. Whereas, on the joint operation of O-N-C and Consolidated Freightways you get a prompt reply from Medford, but a slow reply from San Francisco. That is the gist of the thing, isn't it, that Medford has to trace?

A. Not exactly a slow reply. They may reply to Medford instead of Portland and they have to relay the information.

Q. As a practical matter, Mr. Ashby, there is no reason why, with decent cooperation between the two companies, that difference should not be eliminated? In other words, there is no reason why the San Francisco office of O-N-C shouldn't reply directly and promptly to your inquiries in Portland, just the same as your Butte office does; isn't that a fact?

A. Well, I guess there has been lots of correspondence on that trying to get it threshed out satisfactorily, but we have never been able to work it out.

Q. Mr. Ashby, on your end, when the San Francisco office of O-N-C makes an inquiry from Medford and sends you a copy of the same tracer, do you make prompt replies direct to the San Francisco office of O-N-C?

1393 A. We reply to O-N-C if we are able to give them the necessary information. Sometimes it is necessary to write Medford to get further information and they have to relay it.

Q. What I am getting at is this: You have, in effect, complained about the failure of the San Francisco office of O-N-C to make a direct and prompt reply to your tracers. Do you make a direct and prompt reply to their tracers, or does the same situation prevail at your end of the line that you say prevails at the San Francisco end of the line?

A. Well, to a certain extent it is about even, I guess.

Q. Then the truth of the matter is that there is lack of cooperation both in the San Francisco office of O-N-C and in the Portland office of Consolidated Freightways, and that that difficulty is one which could be cured by reasonable cooperation between the two companies; isn't that so?

A. Well, they have tried to cure it for a long time and haven't; tried to thresh it out.

Q. As an O. S. & D. clerk, Mr. Ashby, you don't want to represent to this Board that kind of a situation could not be cured by just a fairly reasonable degree of cooperation, do you?

A. Well, I don't know. We have tried to correct it.

Q. Can you suggest any reason why, when you receive a short tracer from the San Francisco office of O-N-C, you should be any slower in replying to that tracer than you would in the case of a tracer received by you from your Minneapolis office?

1394 A. Well, the only thing is that we sometimes believe there is more information to be gotten from our Medford office regarding the transfer of that freight. Consequently, we have to write there first.

Q. Is there any more reason to entertain such a belief with respect to the Medford office than there would be at a divisional

point where there is a transfer of lading between Minneapolis and Portland?

A. Well, for instance, we have a different way of keeping our transfer records on our bills.

Q. Is there any reason why they shouldn't be kept the same?

A. Well, I don't know. Each line has their own separate way.

Q. Would there be a practical difficulty which would prevent the adoption of the same method?

A. There might be; I don't know.

Q. None occurs to you?

A. I am not familiar with their set-up.

Q. Is there any practical reason that occurs to you, as an O. S. & D. clerk of Consolidated Freightways, why the same method of tracing and keeping those records couldn't be adopted on your San Francisco-Portland joint line operation?

A. Well, I imagine they would have to change their whole set-up to agree with ours, or we would have to change ours to agree with theirs.

Q. Is there any practical reason why that shouldn't be done?

1395 A. I don't know because I am not familiar with their set-up.

Q. As far as you know there is no practical reason why a uniform method couldn't be adopted?

A. To my knowledge all I can say is I don't know.

Redirect examination by Mr. SCHAFER:

Q. Do you answer tracers on freight the day you receive them, if possible?

A. Yes.

Q. Does that apply in case of connecting shipments the same as shipments moving over your own line?

A. Yes.

Mr. SCHAFER. That is all.

Chairman TERRIL. That is all, Mr. Ashby.

(Witness excused.)

Chairman TERRIL. We will take a short recess, please.

(Whereupon a short recess was taken after which proceedings were resumed as follows:)

Chairman TERRIL. You may proceed, Mr. Schafer.

Mr. SCHAFER. I will call Professor Grether.

EWALD T. GRETHER was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Ewald T. Grether?

A. That is right.

Q. You are Professor of Economics at the University of California?

1396 A. That is right.

Q. Do you teach courses there?

A. Yes; in the field of marketing and merchandising chiefly.

Q. And you are also Managing Editor of the Journal of Marketing?

A. Yes.

Q. What kind of a publication is that?

A. That is the official journal of the American Marketing Association.

Q. Is that a national association?

A. Yes; with a local chapter here. This noon I was meeting with the San Francisco chapter.

Q. And where is the headquarters of that Association?

A. The Secretary is at the University of Indiana. I suppose you could call that the headquarters. The President changes each year.

Q. And where is that magazine published?

A. It is published by the Banta Publishing Company, printers. The business office is in New York and the Editorial office is divided between here and the University of Minnesota.

Q. The applicant in this proceeding is seeking to extend its line from Marshfield, Medford, and Klamath Falls, Oregon, into San Francisco, eliminating certain delays resulting from the transfer or interchange of freight, and also by the use of a shorter route over less congested highways and, as a result, pro-

1397 poses or contends that it will improve the existing service 24 hours to eastern and central Oregon, and all points in Washington, northern Idaho, and western Montana, including points as far west, northwest, as Great Falls, Helena, Lewiston, Havre, Missoula, and so forth. The present service to most of the points in eastern and central Oregon and Washington, has been shown to be third morning by the applicant's present service and will become second-morning delivery as a result of this proposed service.

Now, assuming for the purpose of your testimony that such a saving will result we want your expert opinion on the benefits which the public, merchants, producers, and so forth, in the territory affected, can reasonably expect to enjoy.

By the way, for the record we want it clear that Professor Grether is not supporting this application. He is giving purely expert testimony based upon this question which can be called a hypothetical question.

Mr. BEROL. If the Professor isn't supporting the application is he opposing it?

Mr. SCHAFER. He is here merely to testify as an expert on the benefits to be received and enjoyed by merchants and other members of the public in the territory.

Mr. BEROL. That is satisfactory.

Mr. HICKSON. I am going to object to the question on the ground that this witness has not qualified himself as possessing any
1398 knowledge of the facts, circumstances, and conditions concerning truck operations.

By Mr. SCHAFER:

Q. Do you profess to have any knowledge whatever of merchandising and the distribution of merchandise, Professor?

A. Well, let me see; for about sixteen years I have been teaching courses in the field of marketing and merchandising. In those courses, of course, one does touch upon transportation and traffic problems. I must confess I have no specific information as to the companies involved here.

Mr. HICKSON. What specific knowledge have you of the territory here involved and the commodities that move?

The WITNESS. As to the territory, I have driven over this territory often. It happens that my wife's people live in western Montana and I have made frequent trips to that territory.

Mr. HICKSON. Are you familiar with the commodities that move to all of these points?

The WITNESS. I couldn't claim to be familiar in detail with all of those things. I think I have a general knowledge of the situation.

Mr. FARRENS. If the Board please, if the purposes for calling this witness are precisely what counsel for the applicant indicated, namely, that this witness is to testify that benefits will result from expedition in transit of freight moving between communities, as far as I am concerned, I am prepared to concede that ex-
1399 pedition in transit, whether by rail, water, truck, or air, entails benefits to the public. And without a knowledge of the facts involved in this case, and the carriers involved, or the commodities that are transported by those carriers, or the volume in which those commodities are available for movement between the various points, I am unable to see how testimony of that character could be of any benefit in this record. For that reason I object to the entire line of testimony proposed.

Mr. SCHAFER. My answer to that——

Chairman TERRIL. The answer would go to the weight of the testimony, rather than to its admissibility, and I think the witness, if you are satisfied as to his qualifications, should be allowed to answer.

Mr. IVERS. There is an objection still pending, and his qualifications are only presumed to be satisfactory, and I am going to renew that objection.

Chairman TERRIL. I didn't so rule that they were satisfactory.

Mr. SCHAFER. What is the status now? Do you want to object again?

Mr. IVERS. I want him qualified.

Examiner KEPHART. Start a question.

By Mr. SCHAFER:

Q. I have asked you the question, based upon the facts stated, and I would like to have you state what, in your opinion,
1400 would be the benefits accruing to the territory mentioned?

Mr. IVERS. I wish to renew the objection made by Mr. Hickson and ask for a ruling.

In addition to the objection on the basis of his qualifications, I also want to object to the hypothetical question which counsel has indicated in that it does not state all the facts necessary to constitute a hypothetical question to be propounded to a witness who would be qualified in that it contains in the hypothesis facts not supported by the record.

Mr. SCHAFER. That, of course——

Mr. HICKSON (interrupting). Just a minute. I join in that objection.

Mr. SCHAFER. That can be argued on brief. If there is any error in the hypothesis certainly it would go to the weight of his answer.

Mr. FARRENS. It goes to the admissibility of the evidence.

Mr. SCHAFER. Counsel hasn't pointed out wherein the hypothetical question does not correspond with the facts.

Mr. FARRENS. May I be permitted to join in the objection for that purpose, and point out that the question might be equally applicable to a movement by boat between Portland and San Francisco, or a movement by rail between Portland and San Francisco, or a movement of express by air. There has been no showing to this witness as to what the commodities are, the points between
1401 which they move, and the volume in which they move upon which he could express any opinion that would be applicable to the facts in this case.

Chairman TERRIL. The objections will be overruled. The witness may answer.

Mr. FARRENS. May an exception be noted?

Chairman TERRIL. It may be noted.

A. Before addressing myself directly to the hypothetical question I would like to make two or three preliminary statements which are essential as a background to my statements of judgment.

In the first place, I asume, because of the sort of conditions indicated here, that there are different commodities and different situations and that the effects are not the same between lines.

For instance, I don't assume that the effects would be the same in the drug trade as in a movement of farm produce.

In the second place, I asume that the hypothetical question deals entirely with those situations in which the time factor is important in the movement of goods.

In the third place, before I talk to this specific question, it seems to me I should indicate those conditions which, in my judgment, make the time factor unusually important in the movement of goods in this area.

First, it seems to me the time factor is important in the
1402 movement of perishable commodities such as, say, farm produce. It is also important in the handling of special orders, say, repair parts, or how they merchandise something of a special sort.

The time factor is also important in order to meet sharp changes in short-run demands, conditions unpredictable to merchants, wholesalers, producers, which they cannot plan on and they have to make a quick short-run adjustment.

The time factor is also important in order to meet an out-of-stock condition. Say a wholesaler or retailer is out of stock and has to get stock in quickly. It is important also in determining the size of the purchase order.

Obviously, if it takes a long time to get merchandise you have got to buy larger quantities.

Finally, it is important in determining the place of purchase.

The shorter the time period to get merchandise the larger the area from which buyers can choose in making their purchases.

Now, with these observations as a background I would like to look at three groups in the market in order to see what the benefits might be to these groups, say, from a saving of 24 hours in time, as assumed.

First, let us take a retail merchant; say a retail merchant anywhere throughout this territory. If a retail merchant can buy merchandise and get it, say, 24 hours quicker, especially on items
where the time factor is important, he ought to be able to
1403 operate with a smaller inventory and, therefore, there should be some saving in working capital on that type of merchandise. Likewise, a retailer ought to be able to keep his stocks in better adjustment to his local demand factors because merchandise is more quickly accessible to him. He should also be able to push further afield in buying merchandise; in other words, to buy from different markets more so than would be possible with slower means of getting access to merchandise. Therefore, he would be able

to perhaps offer a better variety or better merchandise than otherwise. He should be able to give his customers better service, particularly on special orders. I want to stress the special orders. In doing that perhaps he can build good will to better advantage in a manner that, I assume, would be useful to him in business getting.

Finally, I assume in some cases the retailer would have a larger sales volume partly because of the things I mentioned, but also because he should be able to get access to some merchandise that might not otherwise be available to him if it takes longer to get access to merchandise.

Now, in the next place, I want to combine producers and wholesale distributors. If counsel wish I would be pleased to break them apart, but to save time I will throw them into the same pigeonhole.

Producers of goods in this area and wholesale distributors ought to be able to sell throughout a wider area if 24 hours
1404 of time is saved.

For instance, goods should come to San Francisco from a wider area, say, and vice versa.

In the second place, producers and wholesale distributors ought to be able to adjust themselves more effectively to changes in market demands, market supplies and prices between markets, and they could choose between a wider number of markets on those items where time is important. San Francisco might be a choice, sometimes by contrast with Portland in some instances, and vice versa.

If this time is saved then the products would often go to market in a better condition, arrive in better condition, and perhaps, say, demand better, and perhaps, get a little better price for the producers.

Finally again, I assume in some cases, producers and wholesalers would be able to get some business that they couldn't otherwise get because of the saving of time involved.

Then, finally, there is a matter of the consumers. By consumers I mean the personal users as well as industrial users, say, buying for the individual family use, as well as buying for business and industrial use.

In some instances a user would have access to commodities that would not otherwise be available, like fresh perishable produce, that they perhaps couldn't get into those markets other-
1405 wise, or perhaps a greater variety, because he could draw on a better metropolitan market as a retailer or wholesaler. Likewise, a consumer in some cases, no doubt, would gain because they could get goods at lower prices. Here a number of things might be mentioned. If there is economy in his operations, there would be savings, say, in shipping costs and perhaps

savings in storage costs, and if those things develop competition presumably would insure that some or all of those savings would be passed on to consumers in the market. Likewise they would gain because those who serve them would, since they draw upon wider markets, find themselves in more effective competition.

For instance, a local dealer would not merely draw on one wholesale market. He might be able to reach out to two or three wholesale markets and you would have, therefore, more effective competition in the local market.

Consumers and users, I assume, would have some advantage because of the convenience factors. Such as, for instance, if there is a break-down you may get your repair parts more quickly. That may be a business or an individual fact. Or the convenience of not being forced to wait quite so long in the case of special orders.

Now, those are my general observations. Please note they are within the bounds of the assumption, that is, the movement of merchandise in which time is important in marketing.

Mr. SCHAFER. You may cross-examine.

1406 Cross-examination by Mr. ELLIS:

Q. I assume you recognize there is much duplication in your analysis of that problem as between the several headings under which you have classified them in that under the consumer heading you have repeated and duplicated most of the things that you have stated under the heading of advantages to the retail merchant?

A. No; I don't recognize that. By consumers I mean individual household consumers or industrial business consumers. So far as the term "business users" is concerned I do not mean buying merchandise for resale, but buying a piece of equipment for a store, and operating supplies for the store.

Q. You don't recognize there is any duplication whatever as between benefits you stated to the retail merchant and benefits you say will accrue to the consumer?

A. I recognize this factor, and that is that some of the same benefits obtain in each category. That is the way I looked at them, separately.

Q. Practically all of the benefits which you have listed under the consumer heading are benefits which result from the same factors as you have listed under the benefits to the retail merchant; is that not true?

A. The reason for isolating consumers is to see the end process. The question was raised as to the benefit to the public.

1407 Q. In other words, you have taken a small number of rather basic economic principles and have spread them

out over the various segments of transactions with producers, wholesale and retail merchants, and the consumer, and analyzed them into their fine details?

A. May I ask that——

Q. (Interrupting.) Is that true? Then you may explain.

A. Not quite in the way you put it. I was going to explain that any economic principle is general and is apt to have applications in several directions. I merely set these things up in this threefold classification, indicating it could be subclassified into classes of consumers, classes of wholesalers and classes of producers, you see.

Q. With respect to the retail merchant you listed among his benefits his ability to carry a smaller inventory. I would like to ask you if that benefit to the retail merchant does not in fact result in a disadvantage and burden to someone else who must carry the inventory?

A. There is always that question as to where the inventory must be carried. Also I should indicate that there are other factors that determine the size of the purchase beyond the time factor. Normally, for instance, the purchase discount is important. If you can get a discount buying a gross you may prefer to carry a larger inventory than to wait for shipments via the Canal by shipload in San Francisco.

1408 Q. You admit the carrying of smaller inventories by the retail merchant necessitates the wholesaler carrying a larger inventory?

A. Yes, sir; or the producer or someone—a manufacturer in his warehouse. Someone has to carry a stock; yes.

Q. Is it not true that disadvantages result to a customer quite frequently from the fact that a retailer does carry that smaller inventory?

A. If the retailer is out of stock that is right, and the customer must wait, or go some place else to get the merchandise.

Q. You said something about buying from different markets farther away. The retail merchant, say, over in eastern Washington, has been buying his merchandise largely in Portland and he finds that he can reach the San Francisco market some 700 miles farther distant. Is it not true that there will result a detriment to the Portland wholesaler who has been supplying this territory in the past and that there will be at the same time an uneconomic movement of freight 700 miles farther than it is now moving under existing commercial trends?

A. I would assume that a retailer in the location mentioned wouldn't buy from San Francisco unless there was one or two things, or both of them, present:

1. He can buy at lower prices or get better variety, get
1409 some merchandise here that he couldn't get in Portland.

2. Because of some other factor, such as friendly personal relations, such as a good salesman getting business out of such a territory sometimes because of personal relations, and sometimes because he is a good salesman.

Q. And you would normally expect wholesalers at Portland and Seattle to stock regularly items of merchandise that are normally used by retailers in the northwest area of Oregon and Washington?

A. I would assume they would try to, but San Francisco is a larger wholesale market.

Q. Among the other items you mentioned was the ability of the retail merchant to buy in smaller quantities. I assume you recognize the fact that purchases in smaller quantities normally entail the payment of higher prices and that advantages do result to consumers, and particularly to retail merchants, from purchases in large quantities?

A. I just indicated that about three minutes ago.

Q. Now, something was said about having available a wider variety of products. I am wondering if you can tell us of any product available in the California markets today that is not commonly and generally used by the consumers of Oregon and Washington, or any products of Oregon and Washington that are not commonly used by the consumers in California?

A. If I may speak in terms of personal observation for
1410 what it is worth, I will say this: In driving through some of the outlying towns I sometimes have had trouble getting fresh lettuce or a good salad. That is especially true over in Idaho. It seems I have been able to get only fried potatoes and meat.

Mr. FARRENS (interrupting). Baked potatoes, you mean?

A. Yes. As I judge, there is some resistance to moving California fresh produce into that area.

By Mr. ELLIS:

Q. My question was confined to Oregon and Washington, which is the territory directly involved in this case. I ask you to name some commodity that you think can be marketed from California in the northwest and which is not being used by the consumers there today, or vice versa, that is, commodities produced in the northwest that are not being used generally in California today?

A. Yes. When it comes to a matter of fact it is difficult for me. I can give you two or three cases where I think I would be on solid ground. I suspect that fresh figs would be difficult to move because of their extreme perishability.

Q. Have you ever applied at a market in the northwest during the season of fresh figs and failed to find them?

A. No; I haven't.

Q. Can you think of any other example?

A. I should think it might apply to, say, fresh lettuce during the season when it is not available in that area, when local
1411 lettuce is not available.

Q. You know that fresh lettuce moves into the northwest every day in the week when it is produced down here and that it is available to any housewife in the northwest when it is available in California?

A. In all the smaller towns too, is that a matter of fact?

Q. I am not testifying.

A. I really don't know, I confess. My experience in driving through is that you cannot get a good salad in the smaller towns.

Q. Frankly you will admit that in the present day and age with refrigerated service on rail and trucks that a matter of 24 hours is not a vital factor which is going to materially reduce the consumption of those commodities in the northwest that are produced in California, or vice versa, will you not?

A. Evidently—you see the word "materially" bothers me. It is difficult to define that. I would say there would be some effect, but how much effect I don't know. I assume it is not very large, but I think there is something there.

Q. Now, finally, you said some commodities could be transported in a better condition by reason of a shortening of time in transportation, but isn't it also a fact that other commodities increase in value by delay in being placed on the market?

A. Yes; I suppose that is true occasionally.

Q. A lot of cheese that moves out of the northwest and
1412 from Idaho into this territory goes in storage for six months before they attempt to sell it?

A. I have often wished some of the meat went into storage longer.

Q. And it is also true on rising markets that the seller of this product is benefitted by even short delays in delivery of commodities?

A. If he happens to hit it that way; yes.

Mr. ELLIS. That is all.

By Mr. HICKSON:

Q. Professor, do I understand that you teach economics at the University of California?

A. Economics; Chiefly marketing courses in the field of economics.

Q. And in that field you study and teach transportation and its relation thereto?

A. Every marketing textbook has some discussion of transportation. I am not a specialist in the matter of transportation. We have men who are. But the marketing process obviously involves transportatioin as an important aspect of it.

Q. Now, do I understand it to be your testimony that you are giving here now is based on a 24-hour saving?

A. That is right; yes.

Q. And it would not apply to any instance where 24 hours was not, a saving of 24 hours was not effected?

A. Well, the 24 hours in my mind is not so important,
1413 but it is based on a saving in time of some significant amount.

Q. Where are you going to set the figure—you said 24 hours?

A. That was set for me because that was the statement of fact in the case here. If it was 36 hours, it would be all the better; if 12 hours that would still be some saving.

Q. I understood you to say that a saving of a few hours in many instances wouldn't effectuate any saving at all?

A. I put that in my preliminary assumption. It is on occasions where the time factor is important.

Q. Your testimony is based primarily on a 24-hour saving?

A. That is right; yes.

Q. Now, Professor, the things that you have talked about here that you have told us about, aren't those to a large extent academic things that have been taught and generally known as a matter of common knowledge for generations?

A. And relatively simple and elementary; yes, sir.

Q. You have been teaching for a good many years?

A. Yes.

Q. Well, I believe you testified a moment ago that the cost of transportation is an important factor in marketing?

A. Right.

Q. And it is true, is it not, that in many instances the cost of transportation is reflected in the market price and is passed on to the consumer?

A. Right.

1414 Q. That is important from the consumer standpoint, is it not?

A. Right.

Q. So that any saving effectuated in operating costs you say would be beneficial to the shipper or to the consumer?

A. In the long run the tendency is for it to be passed on because competition forces it on.

Q. As a general rule it is passed on to the consumer?

A. Yes.

Q. Now, Professor, did you know that in this case here at the present time the Consolidated Freight Lines is operating a truck line from Portland, in interstate commerce, to Medford and at that point it interchanges freight with the California-Nevada Fast Freight to San Francisco and that the same condition exists in the reverse direction?

A. Yes.

Q. Did you also know that they now propose to run their trucks through Medford on into San Francisco?

A. Yes; right.

Q. And that they propose to run north through Medford to Portland?

A. Yes.

Q. You understand that?

A. Yes; I do.

Q. And to enlighten you further it has been testified here that these two carriers—the thing to be brought about
1415 if the applications are allowed—propose to split the present traffic that they are now enjoying on a 50-50 basis between them. Do you get what I mean?

A. Yes.

Q. Will you point out just what economy is going to be effectuated by Consolidated running their trucks clear to San Francisco and the Oregon-Nevada-California running trucks clear to Portland with a duplication of equipment?

Mr. SCHAFER. I object to the question on the ground that it is beyond the scope of the hypothetical question put. The witness has not been qualified as a transportation expert, but merely as a marketing expert.

Mr. HICKSON. He testified that the cost of transportation is reflected in the market price and is passed on to the consumer.

Mr. SCHAFER. There is no testimony here that any difference in transportation cost will be brought about.

Chairman TERRIL. The objection will be sustained.

Mr. HICKSON. May I have an exception?

Chairman TERRIL. Yes.

Mr. IVERS. If that objection is sustained I move to strike that portion of this witness' testimony which, in answer to counsel's hypothetical question as to the benefits that would be passed on to the public, there was included lower prices and economy brought about by a lowering of shipping costs.

1416 The WITNESS. Am I allowed to raise a question?

Chairman TERRIL. Yes.

The WITNESS. As I recall it, I said if there are economies, rather than taking the burden of proof—if there are economies.

Mr. IVERS. I still move to strike that portion of the testimony.

By Mr. HICKSON:

Q. Will you point out what economies will be effected by the proposed operation by any increase in traffic?

Mr. SCHAFER. I object to the question on the same grounds.

Chairman TERRIL. The objection will be overruled.

Off the record.

(Remarks outside the record.)

Chairman TERRIL. On the record.

Mr. IVERS. I withdraw the motion to strike.

By Mr. HICKSON:

Q. You may tell us the economies, please.

Chairman TERRIL. I must confess I am confused as to the state of the record.

Mr. IVERS. I withdrew the motion to strike in view of the Board overruling the objection to the last question.

Exam. KEPHART. I think he intended to overrule the motion to strike.

Chairman TERRIL. The intention of the Board was to let
1417 the testimony stand and not allow the motion to strike.

Mr. HICKSON. What is the status of the objection to my last question?

Mr. FARRENS. The objection was overruled.

Chairman TERRIL. I sustained Mr. Schafer's objection to the question that you asked of the witness.

Mr. FARRENS. That was to the previous question. There is a question pending to which an objection has been made and which I understood——

Chairman TERRIL. The Board has not knowingly ruled upon the last question, nor do I know what it was.

Mr. SCHAFER. Restate the question, please, because it is so far back in the record.

Mr. HICKSON. I insist that the record be read.

Chairman TERRIL. Read that portion of the record, Mr. Reporter, referred to, please.

(Whereupon that portion of the record referred to was read by the reporter as above recorded.)

Mr. SCHAFER. The grounds of my objection are the same as the grounds on the one before; that he hasn't been qualified here as a transportation expert. He said if there are economies he would expect them to be passed on, and that is all he professes to know about it.

Mr. HICKSON. If the Professor is not an expert I move that his full testimony be stricken from the record as not being qualified to testify on any subject.

1418 Mr. SCHAFER. That is silly, of course.

Mr. FARRENS. I submit that is a serious objection because if we are going to have a witness take the stand as an expert in this case, which involves only the question of transportation, and then exclude his examination relating to questions of economies of transportation, why we certainly have wholly irrelevant testimony.

For that reason I support the motion to strike.

Mr. SCHAFER. In answer to that point I would like to state that we already have had the testimony of some 40 or 50 shipper witnesses as to the time saving to be involved. We have also proved time saving would be involved. All this witness is here to testify to as an expert is on the benefits to be realized by some people who will be affected by this saving in time.

Exam. KEPHART. What is the next question?

Mr. FARRENS. There is a motion pending before the Court, a motion to strike the testimony.

Exam. KEPHART. That motion was overruled.

Mr. FARRENS. It hasn't been passed on yet, as the record will show.

Chairman TERRIL. There seems to be some confusion here as to the state of the record.

The motion will be overruled.

Mr. FARRENS. May we have an exception?

1419 Chairman TERRIL. You may.

Mr. HICKSON. If I am not allowed to pursue that any further I will take an exception to the ruling of the Board.

Chairman TERRIL. It has already been noted, Mr. Hickson.

By Mr. FARRENS:

Q. Professor, have you a Department in the University of California of Economics?

A. Yes.

Q. How long have you been in that Department?

A. I came as a teaching assistant in 1922 and went on the regular staff in 1924, and I have been there since except for the following interludes: I taught at the University of Nevada in 1925–1926. I was traveling abroad in 1932–1933. I taught at the University of Pennsylvania last year.

Q. In the course of your preparation to perform the functions of teaching in the Department of Economics of these different colleges, and during the course of your studies since you have engaged in the teaching profession, and in relation to the work which you are now doing which involves some study of the economics of transportation have you taken occasion to give that subject study?

A. I am not quite clear—which subject?

Q. Economics of transportation.

A. Yes; not only in a general way, but I have read considerable literature on the subject. For instance, I have read a book by Loklin on "Economics of Transportation," and I am interested particularly in the general aspects and the effects of transportation facilities on market areas, and things like that.

1420

Exam. KEPHART. Have you ever been connected with a transportation company?

The WITNESS. No.

By Mr. FARRENS:

Q. While you may not be specifically teaching that specialty, as I understand your testimony, you have taken considerable care and pains to inform yourself on that subject, that is, the economics of transportaion?

A. Well, again, I have got to shift just a little bit to explain. Among my interests is that of studying markets, and market areas, and what determines the outlet of markets, and that constantly, of course, raises the question of the importance of transportation rates and transportation facilities.

Q. And as a consequence of that you have made every effort as a student to acquaint yourself with the question of economics transportation, I take it?

A. If you mean economics in the same way I do; yes.

Q. Now, Professor, in this case, and in the case which is almost currently being tried with the case, we have an instance where carriers that connect at Medford and Klamath Falls form a joint through line or lines, between Portland and San Francisco Bay points, and each of them respectively in its own case is representing to the Interstate Commerce Commission, through this Board, that the saving of 24 hours in transit cannot be accomplished by a joint operation which is now being offered, but can be effected, in the one instance, by extending southward from Medford and Klamath Falls to San Francisco, and in the other instance by extending northward from the same intermediate point to Portland. Now, your testimony indicates that a decrease in time in transit has some value to some members of the public. But if that decrease in time of transit involved an increase in the overhead costs of both of these carriers and in the operating costs of both of these carriers, and in the division of the existing traffic between them, and in the operation of more truck miles—you understand what I mean by "truck miles?"

1421

A. Yes.

Q. (Continuing.) Would it not be your opinion that in the long run those increases in cost of overhead and operation would be reflected either in the rate structure of those carriers or in their ultimate financial stability?

Mr. BEROL. Have you finished your question, counsel?

Mr. FARRENS. Yes.

Mr. BEROL. I want to object to the question, first, on the ground that the question assumes facts not in evidence, namely, that it is going to involve an increase in the operating costs of these carriers. There is no such evidence of record.

I want to object in the second place on the ground that it
1422 is asking of this witness an opinion as an expert as to the effect of the proposed operations upon the rate structure, and the witness has stated that he is an expert on marketing and distribution, but he has in no way indicated that he is an expert on transportation, or the costs of operation, or the effects upon the rate structure of any carrier.

Mr. FARRENS. In reply to that objection permit me to observe that there ought not be any necessity of any statistical proof of the increase in the cost of operation and the cost of expenses of these companies because obviously they cannot operate trucks, in the one instance, from Medford to Klamath Falls and south to San Francisco except at a cost, and, in the other instance, from Medford and Klamath Falls to Portland except at a cost. So that answers that feature.

The Professor did, in response to my questions a moment ago, say that he had studied specifically the effect of rates and various features of transportation upon the marketing of commodities, and there is no respect in which an economic study of that situation could be more important than a determination as to the causes which might ultimately increase the rate cost to the consumer or, on the other hand, disrupt the capital ability and the financial stability of the carriers to continue to perform the service to the public.

Mr. BEROL. In that regard counsel's argument is not based
on his question. He didn't ask this witness as to what
1423 effect increased rates would have on the general marketing and distribution of commodities. He asked him as to what effect the proposed operations of the two applicants here would have on their gross over-all operations and, therefore, upon the general rate structure. Certainly there isn't anything here to indicate that this witness is qualified to talk about how the proposed operations would affect the general level of the rates to be charged by these carriers. Furthermore, it involves elements of cost that this witness has not been apprised of, that are not included in the question asked, and insofar as they are included in the question asked they go outside and beyond the record and assume facts that are not in the record.

If there ever was a question that was objectionable this is one.

Chairman TERRIL. The objection will be sustained.

Mr. HICKSON. I renew my motion to strike the witness' testimony all from the record on the ground that he has disqualified himself.

Chairman TERRIL. The motion will not be allowed.

Mr. FARRENS. May we have an exception?

Chairman TERRIL. An exception may be noted to both rulings.

By Mr. FARRENS:

Q. Professor, any change in the transportation field in a
1424 given territory, if it results either in the increase of freight rates to the shipper, or in the disruption of the financial ability of the carriers to continue to render adequate service to the public, is that to the disadvantage of the shipper, the producer and the consumer?

Mr. BEROL. Just a minute, please. I want to object to this question on the ground that it assumes facts not in evidence and is directly contrary to the evidence here. The carriers have testified in these proceedings that the operations, if permitted by the Commission, will be conducted under their existing present level of rates. There has not been any evidence in this record to indicate that the extensions of operations as proposed here will in any way increase the level of rates, and that is exactly the basis upon which counsel's question is predicated.

Mr. FARRENS. In this instance I am not going to meet that argument, but I am going to say I have a right to ask questions to test the qualifications of this witness.

Chairman TERRIL. Just a minute. Will you read the question, Mr. Reporter?

(The question referred to was read by the reporter as above recorded.)

Chairman TERRILL. The objection will be overruled.

Mr. BEROL. May the record show an exception, if the Board please?

Chairman TERRIL. Yes.

1425 The WITNESS. May I have the question again?

(The question referred to was read by the reporter as above recorded.)

Mr. BEROL. Just a moment. I should like to renew my objection and I am renewing it based upon another ground and, therefore, I am not placing myself in a position of arguing after the Board has ruled.

I am now basing my objection to the question on the ground that it is incompetent, irrelevant, and immaterial and outside the issues of this case. The question goes to transportation generally. The record is replete here with the evidence that there are other, and many other transportation facilities available in this area, other than this applicant and the applicant in the other case.

Now, the question would not be subject to this objection if counsel limited it to these particular applicants, but as long as he is making it open to the entire field then it is objectionable on the ground stated.

Exam. KEPHART. Do you limit it to the applicants?

Mr. FARRENS. No; nor do I concede the soundness of counsel's argument because it is already of record in this case that this change in speed—Mr. James so testified—that this change in speed will force the competitors of these two applicants to make like changes in their schedules.

Mr. BEROL. All of which is contrary to the present
1426 conditions. I think it is generally known, and the record so shows, that these applicants today are providing a faster service than the Southern Pacific and certainly the Southern Pacific is bringing no action to place their service on a parity as to speed with that of these applicants.

Mr. FARRENS. Counsel wasn't here all the time or he would have heard Mr. James testify that it would probably compel competing truck lines to increase their speed.

Chairman TERRIL. The Board is prepared to rule. The objection will be overruled and the witness may answer.

Mr. BEROL. I trust I may have the usual exception?

Chairman TERRIL. Yes, Mr. Berol.

The WITNESS. I am sorry, but I would like to have the question again. In the meantime I have forgotten it.

(The question referred to was reread by the reporter as above recorded.)

A. I would say in general, but there are exceptions. For instance, you have a very difficult problem of weighing the advantages of getting goods in a little better condition and getting goods quickly, and the convenience of that, and the pleasure you have in getting that, against the possible increase in costs, if there are increases in costs.

By Mr. FARRENS:

Q. How about the disruption of service by the break-down of the transportation system?

Mr. BEROL. Same objection.

1427 Mr. SCHAFER. I have no objection if it is purely hypothetical and it assumes the transportation system will collapse, and women and children will die like flies.

Chairman TERRIL. The question is based on the same premise previously stated?

Mr. FARRENS. Yes.

Chairman TERRIL. The same ruling and the same exception allowed.

Mr. BEROL. May I have a continuing objection to questions along a similar line, and that the same ruling will be made, so we can save time?

Chairman TERRIL. Along the same line; yes.

A. As I recall the question my observation there would be that that normally does not disrupt the service; that somebody else will continue—maybe go into receivership—but operations are continued. Isn't that right? It seems so to me.

Q. Professor, that is hardly true. If you look back over the receivership stage some decades ago through which the railroads went, and the resulting car shortages, you will agree with me that there can be a disruption of a transportation system from a financial standpoint which is very damaging to the public.

Mr. BEROL. Why some decades ago? It is still true.

The WITNESS. If you put it on a hypothetical basis
1428 it could be.

By Mr. FARRENS:

Q. It has been in the past in the instance I mentioned?

A. That becomes a matter of fact.

Q. You are not informed on that?

A. I know the general economic history of the railroads, but whether a specific situation produced a specific car shortage—that is making it very definite.

Q. In your opinion is it conceivable that the methods and means adopted for securing an increase in speed of transit might vary with the ill results in the transportation field which would more than offset those advantages?

A. Is it permissible for me to ask for examples of the ill results to help me?

Chairman TERRIL. If you don't understand the question.

By Mr. FARRENS:

Q. Yes. I will endeavor to help you out. Now, suppose that we have at present two through services of the existing carriers in this particular field which is involved in this case, and they are giving satisfactory service to their shippers; and the shippers are ready to say those services are satisfactory. Let us suppose the increase in competition which results from the granting of the two extension applications here causes those two existing through carriers either to reduce the number of schedules through by which they are serving their patrons, or to
1429 collapse and disappear from the transportation field.

Isn't it a fact that the Congress of the United States in Part 2 through the Interstate Commerce Act, has regarded that as an uneconomic and undesirable result?

Mr. BEROL. Have you finished your question?

Mr. FARRENS. Yes.

Mr. BEROL. I would like to have that read, please.

Mr. FARRENS. I want to tell you I am tired of having a mess made out of my endeavor to cross-examine this witness. When you cannot think of anything else to do you sit there and talk with somebody else and then when I ask my question you interrupt by asking that the question be read and——

Mr. BEROL (interrupting.) I was not talking to somebody else.

Chairman TERRIL. Read the question, please.

(The question referred to was read by the reporter as above recorded.)

Mr. BEROL. I want to make an objection, but before doing so I want to preface my objection with a remark.

I am not in the habit of interrupting anybody's cross-examination unnecessarily. Anybody is entitled to cross-examine. But if the cross-examination is not proper I certainly reserve my right to object.

Chairman TERRIL. You have that right.

Mr. BEROL. With respect to this particular question I
1430 object to it on the ground that it assumes facts not in evidence and contrary to the evidence in at least three aspects involved in the question. First, that the shippers are receiving a satisfactory service from the carriers, and I call the attention of the Board and the Examiner to the fact that a large number of shippers have appeared here and testified that they are not receiving a satisfactory service from these carriers.

Second, that it assumes the proposition that the number of schedules are going to be cut down, and all the evidence shows that the number of schedules are going to be increased.

Third, it assumes a proposition that these carriers are going to go broke, when both of these applicants have testified that they are going to be able to operate profitably.

Mr. FARRENS. In the first place, there have already been witnesses on the stand, put on by protestants, who have testified that this service is satisfactory that is being rendered by the protestant carriers. That disposes of that argument.

In the second place, my question did not relate to a decrease in the number of schedules by these applicants, but a decrease in the number of schedules by their competing protestants.

Chairman TERRIL. The objection will be overruled. The Witness may answer.

1431 You may have an exception.

A. In the first place, I am not trying to evade your question. It seems to me if there is a reduction in the number of schedules then possibly you have a situation that lies outside of the

bounds of the assumption that you are operating, that you have a saving in time.

Mr. BEROL. I do not think the witness has answered the question. I don't like to interrupt, but I call the witness' attention to the fact that the question, after naming these hypotheses, asked the witness as to whether or not the Congress of the United States in enacting Part 2 of the Motor Carrier Act, has not made suitable provision for such circumstances.

Wasn't that substantially the question?

Mr. FARRENS. If they had not recognized the principle I stated.

Mr. BEROL. As to that I am going to offer a further objection on the ground, first, that it calls for the conclusion of the witness as to the law of the land to which certainly the witness has not been qualified to state an opinion on and—I will rest on that ground.

Mr. FARRENS. If the witness doesn't know the law, and what the statute provides, he can say so. I am here testing the qualifications of this witness and that is the purpose of my question.

Mr. BEROL. He has not testified as being an expert on
1432 what the law of the land is with respect to transportation.

Chairman TERRIL. Are you familiar with the Interstate Commerce Act?

The WITNESS. In general. I haven't read it recently nor do I keep up with the decisions.

By Mr. FARRENS:

Q. You may assume, for the purpose of this question, that the Interstate Commerce Act names among its purposes the preservation of existing transportation facilities and indicates the purpose to avoid disruption of the services of existing carriers by the addition of new carriers. Would you agree with that as a sound economic principle?

Mr. SCHAFER. I have been remaining silent trying to save time. I would like to point out that counsel is here asking this witness about the very problem on which the Interstate Commerce Commission passes daily and Division 5 passes on constantly, that is, if there is a tendency to impair existing service and if the public is already adequately served "should we grant this application?" That is constantly being decided by Division 5. Now counsel is asking this witness to decide, on a hypothetical statement of facts, exactly the same question.

Exam. KEPHART. I would say that any answer to this would be disproportionate to the time required to get the answer from him.

Mr. FARRENS. Counsel's statement is precisely true. I
1433 am testing the qualifications of this witness. If he dis-

agrees with the principles of the Act under which this case is being heard it is important to know it because it would color his whole testimony that was given on direct.

Mr. HICKSON. Not only color it but would determine its weight.

Exam. KEPHART. Do you have an answer to that question?

The WITNESS. I don't object to answering it, but I am in the hands of the Board.

Exam. KEPHART. You may answer.

A. It seems to me important to maintain adequate schedules. If this change would break down schedules I would think that would be an important consideration. Likewise, if this change would produce a collapse in transportation facilities it seems that would be a very important consideration that the Board and the Commission would take into consideration in making its decision.

By Mr. FARRENS:

Q. Do you think it is sound economics to permit existing carriers the opportunity to meet public convenience and necessity before permitting new carriers to enter the field?

The WITNESS. There are one or two words that I missed. May I have the question read?

(The question referred to was read by the reporter as above recorded.)

1434 Mr. BEROL. Just a moment. There again counsel is asking the witness for an opinion and conclusion of law. The law is entirely specific on that. It can make no difference as to what the opinion of this witness may be; it is not going to change the law.

Mr. FARRENS. I am testing the qualifications of this witness in this case with these questions.

Chairman TERRIL. I think the question is too general. The objection will be sustained.

Mr. FARRENS. Exception.

Well, if it is too general I will ask that it be read back again so I can take the generalities out of it.

(The question referred to was reread by the reporter as above recorded.)

Mr. FARRENS. Do I understand that the objection is sustained on the ground of the generality of the question?

Exam. KEPHART. That is going into the question of railroad economics and this witness has not shown qualifications in transportation economics.

Mr. HICKSON. Then I move to strike all his testimony again.

Exam. KEPHART. His testimony relates to distribution and marketing questions.

Mr. HICKSON. That is the question Mr. Farrens is going into.

1435 Exam. KEPHART. That is a question for the Commission.

Mr. BEROL. I understand the Board has ruled and there is no pending question before the witness.

Mr. HICKSON. My motion is pending.

Mr. FARRENS. I contend I have a right, when a Professor of Economics is put on the stand in a transportation case to give expert testimony to test his qualifications.

Mr. BEROL. As to the thing he is called for, yes; that being marketing and distribution and not being what the law is.

Mr. FARRENS. Are we in a position here where you don't know anything about transportation and are not here attempting to testify anything about transportation or transportation facilities?

Mr. SCHAFER. That is unfair.

Chairman TERRIL. We went through that once.

Mr. FARRENS. Listen! If this Board thinks for a minute that I am departing from this examination without a record as to the qualifications of this witness, there is an error being committed. We have had a question here which was specific and an objection has been sustained, not on the ground urged, but on the ground that the question was too general. I would like to know, for the sake of this record and my right under this record, whether it is the ruling of the Board that the question is too general

1436 and whether that was the reason for sustaining the objection.

Exam. KEPHART. We will change the ruling and say it is a question for the Commission to determine.

Mr. FARRENS. Is it the ruling of the Board that I do not have the right to ask this witness, for the purpose of testing his qualifications, a question which may involve something to be ruled on by the Commission?

Exam. KEPHART. Questions involving transportation, which he already stated he was not an expert on, will be beyond the province of his qualifications here.

Mr. FARRENS. Wait a minute. Are you sustaining this objection on the ground that it is beyond the witness' qualifications, or on the ground that it is something upon which the Commission is supposed to pass?

Exam. KEPHART. Proceed to the next question. It is all on the record.

Mr. FARRENS. I am going to know the grounds on which that ruling is made and, if I think I have the right to, I am going to take exception to those grounds and state my reasons.

Exam. KEPHART. The last one is correct—it is on the record—that is, it is a question for the Commission to determine. You may

take your exception on that ground, Mr. Farrens, and the Board stands on that ruling.

Mr. FARRENS. And not on the other two grounds, that the question was too general and that it was beyond the quali-
1437 fication of this witness?

Exam. KEPHART. Because it is a Commission matter. Proceed, Mr. Farrens, to the next question.

By Mr. FARRENS:

Q. Now, Professor, you are aware, are you not, that the transportation system between Portland and San Francisco consists of rail, water, and truck transportation?

A. Do you include air?

Q. It includes those three that I mentioned?

A. Yes.

Q. And are you aware that generally speaking the boat rates between Portland and San Francisco are lower than the truck rates?

A. Yes.

Q. Now, if the boat service is at lower rates might that not entirely offset, speaking of this matter of economy due to maintenance of smaller stocks of retailers and wholesalers, any capital value of faster truck service?

A. No. I would assume that in those cases where there is either a gain from the standpoint of lower transportation rates, or quantity discounts, particularly in view of the staple merchandise, that retail and wholesale buyers would look ahead and use the cheaper facilities, cheaper transportation facilities.

Q. If they did not look ahead and take advantage of cheaper transportation facilities an economic loss would result
1438 from the use of faster truck service at a higher rate, wouldn't it?

A. Yes.

Q. Now, in the case of an eastern Oregon buyer whose marketing point has been Portland, if the decrease in transportation time opens the San Francisco markets to him as a buyer, and he uses the San Francisco markets, will that tend to decrease his purchases in Portland, generally speaking?

A. Unless there is an increase in business; yes.

Q. And that would then be to the benefit of the San Francisco vendor and to the detriment of the Portland vendor?

A. That specific vendor; yes.

Q. Now, would that have the tendency of causing that vendor in Portland to maintain a smaller stock if it continued as a practice?

A. It might mean just the reverse. The reason for buying here probably would be because of a better assortment and the Portland wholesaler might try to improve his position relatively and enlarge his assortment.

Q. If it did result in less purchases from the Portland vendor, and more purchases from the San Francisco vendor, the tendency would be toward centralization rather than decentralization and an increase in uneconomic use of transportation facilities; isn't that true?

A. I am willing to accept the first part of your statement, that there is a general over-all tendency is somewhat—I
1439 don't know how much—in the direction of centralization. But I am not willing to admit the second part that that is necessarily uneconomic. I would say quite the contrary.

Q. I would like your view on that. I notice that Mr. Willkie is advocating decentralization as a good thing for this country. Do you think decentralization is a good thing for this country, or do you believe the trend toward centralization is a good thing?

Mr. BEROL. I object to the form of the question on the ground that it is putting this witness in a position where he is asked to agree or disagree with a political candidate. I do not think it is fair to the witness.

Chairman TERRIL. Do you have any hesitancy about answering?

The WITNESS. No; but it might take an hour.

Mr. FARRENS. It only requires a "Yes" or "No" answer and would not take only a second or two.

Mr. SCHAFER. I object to the question on the ground that it is also outside the scope of the original testimony.

Mr. FARRENS. No. It stands admitted by the witness that the result of the thing we have been discussing here, including this speeding up in transit, would result in centralization.

The WITNESS. May I answer the question?

Mr. BEROL. I will withdraw my objection.

A. I think we are talking about different things. Candidate Willkie is talking about the de-location of industry. I am
1440 talking about the location of wholesalers. Now, if you wish I can lump those together under the broad category of centralization versus decentralization.

By Mr. FARRENS:

Q. I thought you did lump producers, wholesalers and distributors?

A. I think at this point they should be pulled apart for purposes of analysis. As an indivdual I would agree with Willkie that I prefer to see plants in the countryside, some decentralization, but from the standpoint of costs, speaking in terms of eco-

nomic factors, that isn't always economic; likewise, from a wholesale standpoint it is always more economic to have the reserve stocks carried as close as possible to the major markets; and there they are carried at a lower cost, and the facilities are better, and the investment in the merchandise is lower and it is usually more efficient to operate like that.

Q. To sum up this business we are discussing, what you are trying to tell us is that there are some economic benefits that flow out of a reduction in time of transit?

A. Right.

Q. And that the economic benefits which do flow out of that reduction in time of transit are in ratio to the amount of reduction, generally speaking?

A. I would qualify—not necessarily a specific ratio in some relationship.

1441 Q. And if we could transport merchandise from San Francisco to Portland in an hour that would be desirable?

A. No; not necessarily. For instance, suppose you do it by air, the cost might run 100 times as much.

Q. But if you do it at the same cost a saving would result in some economic benefit?

A. Yes.

Mr. FARRENS. I don't know as I am inclined to disagree with you on that.

That is all.

By Mr. IVERS:

Q. Before you made your analysis were you informed, or did you know how perishable products were being transported in this area?

A. I haven't been informed very much. I sat here in this room and listened to the testimony and I figured up quite a few things. In general, I think I have some knowledge of how perishable commodities are moving.

Q. The benefits which you indicate would come from the faster transportation of perishable commodities would come about by reducing the time it would take for them to reach their destination before decomposition set in to any great extent?

A. Yes.

Q. But if, as a matter of fact, the method of transportation used is such as to effectively arrest the decomposition of
1442 perishables that particular element would not be a factor, would it?

A. It may not on the element of decomposition. Here again, you get into the element of chemistry. I do not know whether the arresting of decomposition for 24, 36, or 48 hours would not ac-

tually increase the rate of decomposition, even though it is arrested at the time when you get it out of refrigeration.

Q. You are not attempting to testify on that?

A. That is right.

Q. Now, in all modes of transportation there is a physical limit to the question of speeding up, is there not?

A. Well, I assume there is such an engineering problem.

Q. You recognize the fact that there is a physical limit to the point to which you can speed up transportation?

A. There must be some limit; yes.

Q. And as you approach the limit of speeding up you would normally and naturally increase hazards which might create great disadvantages to the public?

Mr. SCHAFER. Just a minute. If you can qualify this witness on that point I want to ask him a few questions, such as the benefits of 150 miles shorter route and the elimination of grades, congestion, and so forth, and the results to be expected. If you can qualify him as an expert on transportation why do so. But
1443 I understand the Board's ruling to be that this witness must confine his testimony to marketing and distribution as originally qualified.

I put that in the form of an objection.

Exam. KEPHART. Gentlemen, unless counsel wants to qualify him and qualify him as a transportation expert——

Mr. IVERS (interrupting). I will stand on the objection. I am not going to offer to qualify this witness.

Chairman TERRIL. Show that the objection is sustained and an exception allowed.

Mr. IVERS. I think that is all.

Mr. SCHAFER. Thank you very much, Professor. I have no redirect.

(Witness excused.)

Chairman TERRIL. We will take a short recess.

(Whereupon a short recess was taken after which proceedings were resumed as follows:)

Chairman TERRIL. Call your next witness, Mr. Schafer.

Mr. SCHAFER. I will call Mr. Geraghty.

W. H. GERAGHTY was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Will you state your name for the record, please?

A. W. H. Geraghty.

Q. You are the Manager of the Business Extension Bu-
1444 reau, of San Francisco?

A. Yes, sir.

Q. Will you describe that business?

A. We publish a daily and weekly report on business activity in the Bay area concerning all types of new business, new construction, new corporations, new factories—anything pertaining to new business.

Q. And where do you purvey that information which you collect?

A. We sell that information to wholesalers and manufacturers in the Bay area for purposes of sales use.

Q. And have you prepared an exhibit showing the number of new factories, manufacturing plants, wholesalers, warehouses, and so forth in San Francisco and Oakland for the years of 1937 to 1940?

A. That is right.

Q. I hand you what purports to be such an exhibit.

First, I will ask that it be given a number for identification.

Chairman TERRIL. Mark that as "Applicant's Exhibit No. 13" for identification.

(Applicant's Exhibit No. 13, Witness Geraghty, marked for identification.)

By Mr. SCHAFER:

Q. Will you please explain that information, Mr. Geraghty?

A. This information was prepared by me from informa-
1445 tion secured from our daily reports. The reports are taken from general information secured by our staff of reporters who operate similar to a newspaper reporter. We cover all known sources of information such as the State Corporation Commissioner, real estate offices, building permits, permits of all types, and every available source of information, license bureaus, and so forth.

Q. Will you please explain what this exhibit shows?

A. The exhibit is more or less self-explanatory. It gives the number, in San Francisco, of new factories and wholesalers who have established themselves in business during the years 1937, 1938, 1939, and the first six months of 1940 as taken from the records.

Q. And what organizations rely upon this information, aside from those to whom you sell it?

A. The San Francisco Chamber of Commerce, the Oakland Chamber of Commerce, the State Board of Equalization, the Tax Collector's office, and many other organizations of that nature.

Q. From your studies what have you to say as to whether manufacturing, warehousing and distribution in the San Francisco-Oakland district shows a steady and substantial increase?

Mr. FARRENS. Just a moment. We have here an exhibit for identification which shows those new concerns which started

1446 up in San Francisco and Oakland. We have no statistical information as to the number which have gone out of business due to bankruptcy, receivership, dissolution of corporations, or otherwise, and that would be the best evidence just the same as this is the best evidence of the new companies coming into this area. In the absence of such evidence I object to this witness being asked his opinion on the subject.

Mr. HICKSON. I join in the objection.

Mr. IVERS. I also join in the objection.

Mr. SCHAFER. I would like to ask a qualifying question first.

By Mr. SCHAFER:

Q. What qualifications do you claim, or is there any organization that is as well equipped to analyze or give out statements as to the steady and substantial growth of business in this territory?

Mr. IVERS. I object to that as calling for a self-serving statement.

Mr. HICKSON. I object on the ground that it is incompetent, irrelevant, and immaterial and calling for self-serving statement.

Mr. SCHAFER. The witness can certainly state his qualifications without being accused of giving a self-serving statement.

Chairman TERRIL. I don't believe the question is so confined. I believe the question is objectionable.

1447 By Mr. SCHAFER:

Q. Do you claim that you are in a position to keep track of the increase of business in this territory and, if so, what do you base your claims on?

A. I believe that I am. I base my claims on the fact that we are the only organization to my knowledge that is engaged in this type of business. We have been in business for a good many years here in San Francisco. We have been relied upon as a source of information pertaining to the number of business openings in this area.

Mr. FARRENS. I wish to ask the witness a question concerning his qualifications.

Do you keep statistics concerning the number of corporations which have gone out of business in San Francisco and Oakland, due to bankruptcy, receivership, dissolution, and other causes, which is comparable to the statistics shown on exhibit No. 13 for identification relative to those who have entered as new concerns in the same area?

The WITNESS. No; we do not.

Mr. FARRENS. Then I submit, if the Board please, that the witness is not competent to express an opinion on the aggregate number, that is, as balancing losses and existing businesses as against incoming business.

Chairman TERRIL. Will you go back and give me the question asked by Mr. Schafer?

Mr. FARRENS. There is no question before the Board,
1448 really. I am objecting to any line of testimony on that subject from this witness as a matter of opinion.

Chairman TERRIL. I believe that that objection is well taken unless the witness shows that he is qualified on the whole of the subject.

Mr. SCHAFER. If the Board please, if this witness is not familiar with the trend of business here, why we will have to probably get the same information from Dun & Bradstreet on the businesses folding up in this area and we would have to submit that at a later point.

I will offer exhibit No. 13 at this time.

Mr. FARRENS. May I ask the purpose for which this exhibit is offered?

Mr. SCHAFER. To show the new—it is self-explanatory.

Mr. FARRENS. Does counsel purport to show and will he undertake to show the number of businesses that have gone out of business through bankruptcy, receivership, dissolution or otherwise?

Mr. SCHAFER. I just indicated that we will attempt to obtain that information if the witness doesn't have it. I thought this witness had such information also.

Mr. HICKSON. Are you withdrawing the exhibit?

Mr. SCHAFER. No. I am offering the exhibit which purports to show the number of new factories and wholesalers establishing themselves here during the period mentioned.

1449 Mr. JENNINGS. Is the offer contingent on the furnishing of the other information or are you making the offer separate now?

Mr. SCHAFER. I have agreed to furnish the other information; yes.

Mr. FARRENS. I think we are in the same position as when the Board ruled on the question of evidence some time previously; that is, that it would not permit the evidence to go in on the mere offer of proof. For that reason I ask that the Board withhold ruling on this, upon the admission of this exhibit, until counsel has prepared the same type of statistics having to do with businesses going out of business for one reason or another.

Mr. IVERS. I join in that objection.

Mr. SCHAFER. I would like to ask a further question of this witness.

Mr. FARRENS. Let us have the Board's ruling before you proceed.

Mr. SCHAFER. This might bear on his qualifications on this very point.

Mr. FARRENS. I am not objecting to his qualifications in the preparation of this exhibit.

Mr. IVERS. There is an offer of this exhibit pending.

Mr. FARRENS. We admit his qualifications. You cannot improve, or at least there is nothing for you to improve
1450 upon in that respect.

I am objecting to the introduction of this exhibit until the remaining information is available for this record.

Mr. SCHAFER. The question I was going to ask was whether this witness conducts any research at all along the lines suggested, that is, if he has any direct source of information on the number of businesses that left the territory.

The WITNESS. No. We haven't any of that type of information. Dun & Bradstreet would be the best source for that.

By Mr. SCHAFER:

Q. Is is possible from the records which you keep to determine the number of businesses in existence here now and a year ago, or two years ago—is it possible from the information that you keep to determine that?

A. Do I understand the question to be do we know the number of factories, for instance, there are in San Francisco now and how many there were a year ago?

Q. Yes.

A. I could get that information; yes.

Q. But you haven't kept it?

A. I haven't it with me. I believe you would find a file on it at the State Chamber, or the local Chamber of Commerce; a pretty accurate account of the number of businesses because they do make up a report showing the number of factories
1451 now in existence in San Francisco.

Q. But they don't come to you for that information?

A. No. Those are existing businesses.

Mr. SCHAFER. Well, I will offer Exhibit 13.

Chairman TERRIL. Mr. Schafer, would you be willing to defer the offer of that until the other information is available?

Mr. SCHAFER. Yes. The offer will be deferred.

Chairman TERRIL. I am not seeking to avoid the responsibility of ruling on the thing, but I would prefer to have the other information at the same time.

Mr. SCHAFER. I think that is sound.

Mr. FARRENS. Off the record?

Chairman TERRIL. Off the record.

(Remarks outside the record.)

Chairman TERRIL. You may proceed.

Mr. SCHAFER. You may cross-examine this witness on the exhibit if you wish.

Mr. HICKSON. It is not in the record yet.

Mr. SCHAFER. I mean on the statement that he has made so far. This witness will not be recalled so if you have any cross-examination you had better do it now.

Mr. ELLIS. I have no questions.

Mr. HICKSON. No questions.

Mr. FARRENS. I have a question.

1452 Cross-examination by Mr. FARRENS:

Q. Is there from time to time a movement of the business from San Francisco to Oakland or vice versa?

A. Yes.

Q. And would the compilation on Exhibit No. 13 for identification include, for example, a business which was previously in Oakland but which, during the period shown, moved to San Francisco?

A. No. That would not be classified as a new business. That would come under a heading we know as "Removals and Expansions." We have a different classification. That would not be classified as a new business.

Q. Well, would an industry located, we will say, in Berkeley be included as a new industry?

A. No; or any portion of the Bay area. By that I mean Alameda and San Francisco Counties.

Q. How about if the business came up from Stockton to San Francisco?

A. Yes; or from Los Angeles—that would be classified as a new business.

Q. Included as a new business?

A. Yes, sir.

Q. Or if it moved down from Redding it would be a new business?

A. Yes. You won't find very many of that kind.

1453 Q. You have no way of telling, referring to new businesses, what their transportation needs in this territory are as distinguished from businesses already using transportation facilities in this territory?

A. I don't know anything about the transportation angle. All I know is information about the number of new factories that have been located in the Bay Area.

By Mr. IVERS:

Q. Would there be included in here the establishment of a new wholesale branch? For instance, if a company had been estab-

lished in San Francisco and they opened a new wholesale branch in Oakland, would that be included in the list?

A. No.

Mr. IVERS. That is all.

Chairman TERRIL. Is there anything further with this witness?

Mr. SCHAFER. Nothing further.

Chairman TERRIL. You are excused.

(Witness excused.)

Chairman TERRIL. We will recess in this case, for the purpose of hearing another witness in the other docket, until tomorrow morning at nine o'clock.

(Whereupon, at 5:15 p. m., a recess was taken until Friday, August 9, 1940, at 9:00 a. m.)

1454 Before the Interstate Commerce Commission

Docket No. MC 42487 (Sub. No. 15)

In the matter of the application, as amended, of Consolidated Freightways, Inc., of 2029 North West Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, over the following routes:

Route No. 1—Between San Francisco, Calif., and Medford, Oreg., via Arbuckle, Calif.

Route No. 2—Between San Farncisco, Calif., and Klamath Falls, Oreg., via Arbuckle and Weed, Calif.

Route No. 3—Between the junction of U. S. Highway 40 with U. S. Highway 99W (West of Davis, Calif.) and Redding, Calif., via Marysville, Calif.

Route No. 4—Between Redding, Calif., and Lakeview, Oreg.

Route No. 5—Between Goshen, Oreg., and the junction of Oregon Highway 58 with U. S. Highway 97 near Crescent, Oreg.

Route No. 6—Between Marshfield, Oreg., and San Francisco, Calif., via Eureka and Santa Rosa, Calif.

1455 Docket No. MC 42487 (Sub. No. 18)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate, in the States of California and Oregon, between San Francisco,

Calif., and Ontario, Oreg., via Woodland, Williams and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

Docket No. MC 42487 (Sub. No. 19)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Marshfield, Oreg.

Docket No. MC42487 (Sub. No. 20)

In the matter of the application of Consolidated Freightways, Inc., of 2029 NW. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Medford, Oreg., via Woodland, Williams, and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

1456 SAN FRANCISCO, CALIFORNIA,
August 9, 1940, 9:00 A. M.

Before Joint Board No. 11: C. T. Terril, Chairman; Warren K. Brown, C. I. Kephart, Examiner.

Hearing resumed.

Appearances: Same as heretofore noted.

PROCEEDINGS

Chairman TERRIL. You may proceed.

Mr. SCHAFER. I will call Mr. King.

FRED P. KING was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Fred P. King?

A. That's right.

Q. And you are agent for Consolidated Freightways at Medford, Oregon?

A. That's right.

Q. How long have you been at Medford?

A. I went to work in Medford in December 1932 until February 1936, and again from March 1940 to the present time.

Q. And you profess to be thoroughly familiar with the
1457 interchange problems arising at Medford?

A. Yes; I do.

Q. And are you familiar with the testimony of Mr. James given at Portland on the 14 inherent disadvantages of a joint service?

A. Yes, sir.

Q. Which of those points come directly to your attention at Medford?

A. No. 2, No. 3, No. 9, 10——

Mr. HICKSON (interrupting). I didn't get the last one.

Mr. SCHAFER. 2, 3, 9, 10.

A. (Continuing.) 13 and 14.

By Mr. SCHAFER:

Q. I see. Without repeating Mr. James' testimony can you add to it in more definite detail and definitely state the delay occasioned by each difficulty, the number of man-hours involved and such things as that?

A. Yes; I can. We will take No. 2, which has reference to rating, billing, distribution, filing, manifesting, interline settlements, and correction notices.

On the matter of rating, the only rates which we check at Medford are on shipments that are re-billed; in other words, shipments that do not move on a through bill. If we attempted to re-check rates on shipments moving on through bills before San Francisco,
it will necessitate another rate clerk per day and the delay-
1458 ing of equipment out of Medford north several hours per day. The local office of Oregon-Nevada-California Fast Freight also does not attempt to check any other through bills. To do so would mean added clerical force. It now takes about three man-hours per day to rate—it now takes about three hours per day to rate re-billed bills for shipments. It takes longer to rate an interline shipment than it does a local one due to the fact that division of charges has to be computed and the routings shown. We are now rating from 125 to 175 bills per day. Oregon-Nevada-California Fast Freight re-rate an average of 60 south-bound bills a day, which takes them about one and a half man-hours.

In addition to this, their rate man has to re-check all bills covering shipments rebilled by us. A great deal of trouble is experienced in raters of both companies being unfamiliar with the territory or geography of the operations of the other. However, due

to the fact that our company schools and trains its employees, as well as transfers n any of them from one territory to another, it is easy to see that we have less trouble on local traffic than on interline.

A rater in San Fra isco, being unfamiliar with our territory, naturally is going to rate shipments to the wrong junction point or use the incorrect intermediate application. Invariably when this happens, shipment moves as billed and, of course, delayed, causing a dissatisfied customer and added expense to the car-
1459 rier. We have a right to insist on accurate rating on the part of our rate man, which right, of course, we do not have with connecting line's personnel. Very often, for example, we have shipments rated to San Francisco—I will take that back—rated to Portland, which should have been rated to such points as Tacoma, Seattle, Yakima, Wenatchee, or Spokane, or vice versa.

Another example is where on prepaid shipments they would be rated to the incorrect point with the request for advice of prepaid beyond; when a through rate could have been used. This delays and inconveniences our shippers, who have their accounting systems set up for prompt presentation of freight bills by carriers.

Take the matter of billing. It takes about the same length of time to bill as it does to rate, namely, about three hours per day. It is so easy for errors to occur in this rebilling process, and naturally so when you consider the work is done under pressure. Every minute counts. Moreover, errors affect our customers and tend to create dissatisfaction and expense. Having to re-bill often causes delays to freight getting out, especially when equipment from the south comes in early. If the rating and/or billing is not completed before arrival of equipment it means our dockman, having to reload the freight from connecting line's copy of bill, which we use to rebill from and making it necessary to do the rebilling after the freight is loaded.

1460 It can readily be seen that when several pieces of equipment are being loaded and completed about the same time that bills pour into the office for re-billing much faster than a biller can get them out. These delays to freight moving out are much more apt to happen on early arrival of equipment from the south than on later arrivals. Occasionally copies of connecting line's bills that are to be re-billed do not arrive by airmail on schedule. This happens quite frequently during the winter months. In most cases when this happens there is bound to be a delay to equipment getting out, for the reasons mentioned before; that is, bills having to be rated and/or billed after freight is loaded by loaders.

In the winter, too, the through bills occasionally do not arrive on schedule before the freight arrives. Sometimes freight has to go forward without bills.

Take the matter of distribution and the separating of bills. Every set of freight bills re-billed, as well as those on through bills, must be separated and distributed. It takes one man-hour per day alone just to separate the several copies of through freight bills. Then we have the labor of sorting and matching bills to go out with each piece of equipment, which takes on an average of about four more hours. Getting bills ready to go out with the shipment delays movement somewhat for the reason that many of them do not reach the office until after the loaders are completed.

1461 Much of this detail is a duplication of w'rk that the connecting line has at point of origin. Oregon-Nevada-California Freight's Medford office has to spend some time doing the same work, especially on south-bound traffic.

In the matter of manifesting, every bill whether on through billing or rebilled has to be manifested, which operation requires almost one clerk per day. Due to the fact that so many copies of freight bills are made on through billing, many copies are difficult to read, which delays such operations as manifesting.

Interline settlements in checking freight: Much time is lost checking such copies against each connecting line's copy of bill or other copies available in our office. Every bill manifested by us has to be also manifested by connecting line for their records; in other words, another duplicated operation.

Now, the matter of interline settlements: Every freight bill, whether received from or delivered to a connecting line, requires a settlement of division of charges. This work requires about one and one half clerks per day and it requires about the same amount of labor on the part of connecting line at Medford.

The matter of writing up the bills and collection sheets alone requires about one clerk's full time, what with totaling, re-checking with connecting line's local office and completing.

1462 I am not in a position to state the number of man-hours it requires in our general office for the freight accounting on interline traffic, but whatever it might be you may rest assured that connecting line has the expense of approximately the same amount of labor. In other words, they have to go through the same routine. Just another waste.

On the matter of correction notices, every error on a freight bill requires a correction notice. The duplicated labor in connection with interline traffic was well covered by Mr. James' testimony at Portland. In our office at Medford alone it requires about a half man day to take care of these. It requires about the

same amount of labor on the part of connecting line. Again the general office expense of each carrier is duplicated. Our office handles on an average of 30 correction notices per day.

I have watched this business between California and the northwest grow since 1932 when I, as clerk in the Medford station, took care of all office details as well as assisting to unload, check and reload. Now to take care of this interchange business requires an office force of four out of five employed and the platform crew of five out of seven employed. These figures do not include extra help we have to employ occasionally to take care of rushes.

I also remember the day when Oregon-Nevada-California Fast Freight's Medford office force consisted of one girl.
1463 Now it takes five clerks. Their platform crew consisted of one man. Now they have five or six.

On Disadvantage No. 3: I haven't much to add to what has already been said excepting that at Medford station of our company it is just about a whole day's job for one man to take care of overs, shorts, damages and tracing, which also includes refused and unclaimed freight.

Our connecting line at Medford likewise has to have one man doing practically nothing else but trace, handle shorts and overs. With a through service this could be eliminated at Medford on the part of both carriers.

Disadvantage No. 9, having to do with loading of through trailers: About 95 percent of the through trailers north-bound contain anywhere from 2000 pounds as high as 10,000 pounds of freight over and above what is allowable to be hauled in Oregon. This is due to the fact that the loading in California is consistently more than it is in Oregon. This excess tonnage must be rehandled at Medford.

The average number of through trailers per day is less than two. It also runs one per day. Frequently two but hardly ever, if ever, do we have three.

South-bound freight in through trailers does not have to be handled at Medford by the Oregon-Nevada-California Fast Freight because the trailer, of course, is never loaded with
1464 more than the Oregon laws will permit. They do quite often find it possible to add freight to the load at Medford, if they desire to do so.

To save further delays at destinations and junction points north of Medford, our northern bound equipment must be loaded in proper station order. Very often freight for points intermediate to Portland is loaded in with Portland freight in through trailers. When this is found to have happened it is either a case of unloading the entire trailer at Medford, delaying further all the freight in

that piece of equipment, or allow the freight for the intermediate point to move through to Portland and haul it back. This means delayed freight for our customers and dissatisfaction on their part.

In cases where we have Seattle through trailers and intermediate points south of Portland is loaded in, it means at least a three-day delay in making deliveries to our customers. The irregularity of arrival of equipment at interchange point from the south makes it impossible to load all freight for any particular point on the same pieces of equipment out of Medford. To do so would necessitate piling all freight on docks in station order and not loading any of it on north-bound equipment until the last piece of equipment has arrived from the south. It isn't difficult to see how costly this would be in handling and delays to
1465 freight out of Medford, often causing missing connections up the line.

For example, freight for Portland often is loaded in as many as six to eight different pieces of equipment at San Francisco. The first piece might arrive at as early as 9:00 a. m. and the last one 8:00 or 9:00 p. m. Yet if total tonnage for Portland that day happens to be light it means the 9:00 o'clock arrival—I should say, the 9:00 a. m. arrival—of the freight cannot move out promptly. This is the reason that a through trailer destined to Seattle which might arrive at Medford early in the day might have to lay over at Medford for several hours waiting for enough tonnage to arrive to make up a load for the truck that is to drag that trailer. It has happened at very few times within the past few months that when these through trailers for Seattle did arrive reasonably early in the day, that is, before 1:00 o'clock in the afternoon, that they were able to get—I take that back. I should say that we were able to get enough through freight for the trucks to get the through trailers out of Medford early enough to give second morning delivery in Seattle. Any Seattle freight that can't get out of Medford by 1:00 p. m. to 2:00 p. m. might just as well lay over in Medford as in Portland because it is impossible to get it through in time to give second forenoon delivery at destination.

As far as through trailers are concerned, they mean only
1466 a saving in handling costs at Medford. They do not get freight to its destination any quicker than if the freight has been handled and transferred at Medford, except in a very few instances. As explained before, the reason for this is that we cannot send a through trailer out until we have a load for the truck.

About 85 percent of the total day's tonnage has to be transferred once at Medford and over 40 percent of it has to be transferred again at Portland or Roseburg or other points. Due to the fact that there is such a long period between the arrival at Med-

ford of connecting line's first equipment and the last, time ranging from 9:00 a. m. to as late as 8:00 or 9:00 p. m. and later in cases, there is considerable expense for labor on the part of our lines that is nonproducing; that is, our crews sit idly waiting for equipment to come in from the south so they can continue loading and checking. Close to 40 percent of our labor is nonproducing. There is a limit to the number of men that can work in a truck and trailer on these operations. So, consequently, the difficulties we encounter cannot be remedied by simply adding more men.

No. 10 Disadvantage: Maintenance of through trailers. At Medford we have a mechanic on the job at all times to take care of maintaining our equipment. Our connecting carrier arranges with outside firms for any necessary maintenance to
1467 their equipment. Neither of the carriers is allowed to make repairs to the equipment of the other excepting while equipment is in their possession in transit on their lines beyond point of interchange. Whenever, for instance, through equipment is received at interchange point requiring repairs, such repairs cannot be made until the agent of carrier owning the equipment is notified, especially on refrigerated trailers. This means a delay of from one to two and three hours before necessary repairs can be made. If the equipment is loaded damage to lading may occur causing costly claims and serious inconvenience to shippers.

No. 13: Routing of equipment. As brought out in our exhibit from 25 percent to 40 percent of the time we get misinformation from connecting carrier by telegraph at San Francisco to Medford as to the amount of tonnage which will be turned over to us the following day at Medford. It is not at all difficult to get a picture of this for wires are a matter of record and the tonnage handled is also a matter of record.

While our exhibit referred to only a few cases where misinformation was received, the corrected exhibit, which we now have here, indicates this to be a chronic condition.

Examiner KEPHART. Are you going to state what information is contained in those telegrams as to the loading before the truck starts on its route?

Mr. SCHAFER. We have an exhibit. We were instructed
1468 at Portland to fill that out, to make it daily, and we have done that. But the witness through whom that exhibit was offered was Mr. Weisler, and I was going to introduce that when he is submitted here for cross examination.

A. (Continuing.) While we do not actually load every piece of equipment to the exact limit, the misinformation does actually result in delays to shipment and results in many cases of our going to the expenses of sending equipment into Medford for freight that

does not materialize and equipment leaves north bound from Medford loaded light. This is an economic waste.

45 percent of the time, as will be noted from our exhibit, we receive more tonnage that we had arranged for. We don't know this excess tonnage until the last piece of equipment arrives from the south, and by that time our local Medford tonnage may have filled all available space. In other words, receiving more tonnage than we have planned for means very often either holding up our local tonnage or the through tonnage.

We are fortunate in being able to get equipment within a few hours from Roseburg, Eugene, Bend, or Klamath Falls. Also receiving more tonnage than planned for often means way points, such as Grants Pass, having to hold up loading any local freight they might have for the north.

Our exhibit brings out very clearly the six days out of 21 in April and five in April that Klamath Falls' freight had
1469 to be routed through Ashland.

Disadvantage No. 14: Mishandling and rehandling of freight. Where part of the freight is loaded in through trailers and part loaded in equipment to be transferred at interchange point causes very often—in fact, practically every day—shipment becoming separated from bills. For example, a bill may show that freight is loaded in a through trailer and bill sent along to destination or the next junction or transfer point, whereas freight actually may be loaded in a piece of equipment for transfer at Medford.

As mentioned before, this mishandling cannot be noticed until the last thing in the day and freight then has to be forwarded on a dead head straight billing many hours behind the bill. Again, a bill may show freight as having been loaded in a piece of equipment to be transferred at Medford, but freight loaded in a through trailer. In such cases the freight arrives at destination or junction point several hours ahead of the bill. This mishandling too cannot be noticed until after the last piece of equipment has arrived from either Portland or San Francisco.

Where such a volume of freight is interchanged between carriers these cases of mishandling take considerable time to match stray freight with bills and often causes costly investigations, delays to freight and inconvenience to shippers.

When a shipment checks short or over at destination or
1470 junction point there is no way for agents at those points to tell whether or not the freight or bills will come forward on a later piece of equipment. Therefore, he must issue the usual short and over report, and we all know what it costs to take care of this work. If report of shortage or overage is not cleared up

within 24 hours the expense of tracing and corresponding between carriers begins.

Mr. SCHAFER. You may cross-examine Mr. King.

Chairman TERRIL. At this point, would you like to——

Mr. SCHAFER (interrupting). I would like to finish with this witness.

Chairman TERRIL. You would like to finish with this witness before taking up with the other witness?

Mr. SCHAFER. Yes.

Mr. ELLIS. I defer to Mr. Farrens in view of the 14 points.

Mr. IVERS. I also.

Exam. KEPHART. Is the operation between Ashland and Klamath Falls treated as an emergency operation? Your map does not show that you have any operating rights over Highway 66.

The WITNESS. You mean——

Mr. SCHAFER (interrupting). I believe the Examiner misunderstood that. It is Oregon-Cal. that has operating rights over there.

1471 Exam. KEPHART. And not Consolidated?

Mr. SCHAFER. And occasionally their freight comes through Medford and over that way.

Exam. KEPHART. It is not Consolidated routing over Highway 66?

Mr. SCHAFER. No.

Exam. KEPHART. Do you feel, Mr. King, that it is a great task for someone at Medford to become familiar with the names on the other line's routes?

The WITNESS. It is not much of a task at Medford; no.

Exam. KEPHART. Well, for those whose duty it is to take care of these interchange functions.

The WITNESS. Most of the errors occur before shipments arrive at Medford, and there is no way that we can correct most of the errors.

Exam. KEPHART. No; that wasn't exactly the point. You stated that your force had difficulty in understanding the geography of the other line, presumably the names of the stations and their locations. I don't see that that would be much of a task.

The WITNESS. The difficulty arises in the personnel of the originating carrier at the time shipments move or are billed, not at Medford.

Exam. KEPHART. I don't see why it should be difficult to become familiar with the names of stations on the other
1472 line's routes. That shouldn't be much of a task.

The WITNESS. It seems to be.

Exam. KEPHART. They are just not willing to take a few hours out at night to study the map, I suppose, with the stations on it.

Chairman TERRIL. Would you say that where this connection has continued over a period of some ten years that the clerks in one organization should not have become reasonably familiar with the geography of the operation of the other carrier?

The WITNESS. They naturally do become more efficient as——

Exam. KEPHART. I was wondering why you stated that as much of an obstacle.

The WITNESS. Because it is true that we do have a lot of difficulty in men on one carrier handling shipments or bills to a point of the other carrier. The problem isn't so serious on south-bound traffic as it is on north-bound traffic. In other words, our employees only have a few points to consider or worry about on south-bound traffic, whereas on north-bound we cover many points which are not always known to a man in the south end.

Exam. KEPHART. In total there are not over a couple of hundred perhaps on the whole route. That shouldn't present any difficulty for an employee to become familiar with the names and locations.

1473 Chairman TERRIL. Mr. King, I may have missed it, but did you total the number of man-hours necessary for the clerical work involved in this interchange? I notice you itemized certain things, but did you total the man-hours necessary for the clerical work alone?

The WITNESS. Well, I brought out, I believe, that out of five employed in the office that four spend their entire time on interline traffic.

Mr. SCHAFER. That is the office force alone?

The WITNESS. That is the office force alone.

Exam. KEPHART. That is all.

Chairman TERRIL. Very well. Mr. Farrens?

Cross-examination by Mr. FARRENS:

Q. Mr King, why is it necessary to check rates at Medford?

A. On shipments that are billed by any agent he should check his rates.

Q. Isn't it a fact that all shipments which are interchanged at Medford between your company and Oregon-Nevada-California Fast Freight are moving on joint through rates?

A. Yes; practically all.

Q. Then when a shipment is billed by the originating agent of Oregon-Nevada-California Fast Freight is the total joint through rate the rate shown on the billing?

1474 A. In most cases.

Q. Well, isn't it always, if it moves on a joint through rate, the joint through rate which is shown on the billing?

A. As mentioned before, a man located in San Francisco might not be familiar with the particular point that the shipment is going to and we, being more familiar than he, want to be sure that bill is rated correctly.

Q. I am not concerned with what you "want" to be sure of. What I want to be sure about is whether or not it is the joint through rate which is set forth on the bill by the originating agent.

A. It is supposed to be, naturally, the rate on file. But we—it is up to us to see that the freight does move through on the right rate.

Q. Now, if it is the duty of the originating agent to place on the freight bill the joint through rate representing the total compensation earned by both carriers for the transportation of that particular shipment, then the only purpose for rechecking the freight rates at Medford is to be sure that an error has not been committed by the originating carrier in placing the correct joint through rate on the freight bill. Isn't that true?

A. It is easier to catch an error at the time shipment arrives at junction point than it is trying to correct it after it has passed.

1475 Q. Why is it easier?

A. It doesn't take as long.

Q. Why?

A. It just doesn't.

Q. Why? There must be a reason if it doesn't take as long.

Mr. SCHAFER. Just explain how an error is corrected after it slips through and how it is corrected if you catch it at Medford.

Mr. FARRENS. If the Board please, I ask that counsel not interrupt. I don't need any assistance on the cross-examination of this witness.

A. Well, I will try to explain that to you. If we catch an error on connecting line's bill we just merely correct their copy of the bill from which we, in turn, bill from. And then it is up to the connecting line's office to issue the correction notice to their office. If that ball were allowed to go through as billed, the destination agent would have to make a correction notice. When it would arrive in Medford it would have to be turned over to the connecting line and they would have to go through this same process. Therefore, a duplication. It takes practically twice as long to issue a correction notice at destination than it does to change it at the junction point.

By Mr. FARRENS:

Q. Then actually the maintenance of a force which per-
1476 forms correction of freight bills at the junction point makes it easier to correct mistakes in billing of rates than it would

be if it were the operation of the single through line and the correction and correction notices had to be made at the final destination, so that you are effecting a saving in work by operating on a through line basis rather than operating on a single line basis where there would be no place other than the destination at which these corrections could be made and correction notices issued. Is that true?

A. It is not true.

Q. Why isn't it true?

A. On local traffic, local lines, moving on local lines, it requires but one correction notice to correct an error. On interline it requires one to be filed with the agent at junction point. He, in turn, has to get together with the connecting line and the connecting line has to go through this same process.

Q. All right. Now, let us trace a shipment. A shipment originates on the O. N. C. at San Francisco. The billing clerk inserts an erroneous joint through rate on the freight bill. That freight bill is caught by you at Medofrd and because you are rebilling it at Medford you make out a new bill on your line in which you insert the correct joint through rate. Is that right?

A. That is right.

Q. And you send out at that time a correction notice to
1477 the O. N. C. agent?

A. No.

Q. What do you do?

A. We do not. As mentioned before, we correct their copy of the bill and then we sent out our bill correctly. Then when we go to Seattle with them they issue the correction notice.

Q. I see. You return their corrected bill to them?

A. We do not return their corrected bill to them. That's our copy.

Q. In the case of their copy, which originally was erroneous and which you have corrected, what becomes of it?

A. At the time that we make our settlement we each have our own copy of the original bill and advise each other of the errors that were made and corrections to be made.

Q. Do you at any time return to O. N. C. its incorrect freight bill which you have corrected?

A. That copy of the bill which we receive and bill from stays in our office.

Q. How does O. N. C. become advised of the error which has been committed?

A. I just tried to tell you that at the time we settle on interline shipments any error that either of the carriers might have made on a bill is corrected at the time that settlement is made.

Q. Well, you have told me that twice now. But how does
1478 the O. N. C. become advised of the change which you have made in the joint through rate? You make that change on your billing. You keep your copy of the erroneous freight bill which has been issued by O. N. C., and how do you advise O. N. C. that it has committed the error?

A. We just merely have our copy of their bill with us at the time settlement is made and they can see themselves. They have the privilege to check us in case we might have erred.

Q. Do you sit around the table, you retaining the copy of the O. N. C. freight bill which you have corrected, and say "Here! Look! You have made a mistake"? Is that what you do? Is that the way you do it?

A. Yes, sir. Both carriers get together every day.

Q. So your basis of correcting errors in joint through rates made by the oiginating carrier is to get together and hold a conference and exhibit the mutual errors that have been made by each other and handle the thing on that basis?

A. It is not much of a job to get together at a junction point to arrive at the proper rate due to the fact that the juncion point agents of both carriers are more familiar with the territory that the shipments are moving to than the men might be at the point of origin.

Q. Now, is that method of handling corrections of joint through rates one which your line originated or did the Oregon-Nevada-California Fast Freight say "Here! Let's form this prac-
1479 tice of sitting around the table once a day and showing each other our mistakes"?

A. I have been in the motor transportation business for about nine years, and that's been the custom during my entire experience.

Q. At what points?

A. At junction points.

Q. Of all freight motor carriers?

A. Yes, sir.

Q. What other junction points have you served besides Medford?

A. Do I serve?

Q. "Have" you served. What other junction points have you worked in besides Medford?

A. Coquille, Oregon; Grant Falls, Montana; Seattle, Washington. I guess that's all.

Q. At any of those points were the interchanging carriers members of Freightways Association?

A. No, sir.

Q. You never had the benefit, then, of the experience of operating under the superior methods which have been adopted by Freightways Association?

A. No, sir.

Q. Let me ask you this: If instead of adopting the practice of re-billing a portion of the shipments interchanged at Medford these two carriers adopted the practice of through
1480 billing from point of origin on the one line to point of destination on the other, this difficulty would be obviated, would it not, and the matter would be handled as it is handled on the railroads where the rates are checked at destination?

A. If such a thing could be possible in all cases it might, but it does not seem to be possible to do.

Q. Now, Exhibit No. 12 has been introduced in this case, which is a letter written by Mr. James, the president of Consolidated Freight Lines, Inc., under date of October 14, addressed to the heads——

Mr. SCHAFER (interrupting). Give him the full date, please.

Mr. FARRENS. 1938.

By Mr. FARRENS:

Q. Addressed to the heads of five different transportation companies, including Mr. Gritsch as head of Oregon-Nevada-California Fast Freight, in which Mr. James advocated several improvements in the method of interchanged freight between his company and these other companies. And Mr. James testified yesterday that he was insisting up until shortly before he filed the application in this case that these improved methods of interchange practices be adopted.

Mr. SCHAFER. I disagree with your recapitulation of Mr. James' testimony. Were you present, Mr. King, when Mr. James testified yesterday?

1481 Mr. FARRENS. Just a moment now. If you address your remarks to the Board in the form of objection, we will get any difficulties settled.

Mr. SCHAFER. I will state to the Board that I disagree with the statement which counsel has made, that Mr. James was insisting up until shortly before the application was filed that these—what was it you said there—improvements could be made.

Mr. FARRENS. Yes.

Mr. SCHAFER. That is contrary to my understanding of Mr. James' testimony.

Mr. FARRENS. I called the Board's attention to the fact that when counsel yesterday during my cross-examination of Mr. James directed attention to the fact that this letter was dated nearly two years ago that I then asked Mr. James if it was not true that he

was endeavoring to persuade Mr. Gritsch to adopt these methods of improvement of interchange practices practically up to the time when he filed the application of this case. And he said, Yes, that was true.

Chairman TERRIL. To the best of my recollection that is correct.

Mr. FARRENS. Yes.

Mr. SCHAFER. I will drop the point.

1482 By Mr. FARRENS:

Q. Now, Mr. King, this letter suggested that these companies form a system, and I shall read you part of it.

"There would be no problem of through-billing. If the shipment was moving from Los Angeles to Seattle, Los Angeles would bill it on the system bills and the shipment would move through on the original billing with a passing record being made at the points where the shipment is interchanged from one company to the other. All of the agencies of each company would report directly to the home offices of each company. This would eliminate settlements en route. On a shipment from Los Angeles to Seattle the Los Angeles office would show on the bill the splits accruing to the various carriers. If the shipment was a collect shipment, the Seattle office of Consolidated Freight Lines would remit to Consolidated Freight Lines their proportion of the revenue; to Oregon-California Fast Freight its proportion of the revenue; and to the California Motor Express its proportion. If the shipment was a prepaid shipment, Los Angeles would remit to each company its respective proportion of the revenue. On such shipments the originating station would furnish the main office of each company with a copy of the bill, which would be used by the main offices of each company for general accounting."

Do you agree with Mr. James that if the Oregon-Nevada-California and Consolidated Freightways adopted that system of handling and avoided through billing that you would avoid

1483 the entire labor cost and delay which is incident to rate checking at Medford?

A. Yes, I do.

Q. Now, what proportion of the freight which is interchanged between your company and O. N. C. at Medford is rebilled?

A. Close to about—close to a third of the total bills are rebilled.

Q. Are all settlements between the two companies presently handled out of Medford regardless of whether the billing is through or local?

A. That's right. All bills whether on through bills or rebilled bills are settled at Medford.

Q. Now, are your employees at Medford fully conversant with all the territory east of Seattle which is served by your company?

A. I would say yes.

Q. That is a vast territory, is it not?

A. It is.

Q. And I suppose all of your employees at Medford are thoroughly familiar with the entire system served by your company with respect to location of stations?

A. Quite familiar.

Q. And I suppose that your employees at Medford are familiar with the shorter and smaller systems served by Oregon-Nevada-California Fast Freight?

1484 A. We are more familiar with that territory than a man in the northwest is. Yes, sir.

Q. If it is reasonably possible for your employees at Medford to be familiar with the stations on both systems why is it not likewise reasonably possible for an employee of the Oregon-Nevada-California Fast Freight at San Francisco to have similar familiarity with the stations on the two lines?

A. Well, there are not many points south of Medford that are confusing. There are only two main points: San Francisco and Los Angeles. We all know where they are.

Mr. FARRENS. That is not responsive to my question.

Will you read it, please?

The WITNESS. May I have it, please?

(The question referred to was read by the reporter as *as* above recorded.)

The WITNESS. It is not impossible. It is a matter of education.

By Mr. FARRENS:

Q. That is correct. And it is reasonably possible, is it not?

A. Yes, certainly.

Q. So that if the billing clerks of the O. N. C. at San Francisco are not so familiar with the stations on your line, there has been a lack of diligence on the part of O. N. C. in educating its agents. Isn't that true?

A. I wouldn't say that; no.

1485 Q. What would you say? If it is reasonably possible and it is not done, would you say that there had been a lack of diligence?

A. I would say, No. I believe that Oregon-California Fast Freight has done all they possibly can to——

Q. (Interrupting.) Your answer to me is that it is reasonably possible for those clerks to be so educated that they would have the necessary familiarity; that the O. N. C. has not done it; and that yet they have done all that is possible. That is the answer you want this Board to understand that you are giving on this question?

A. I am not familiar with what the employees of the Oregon-Nevada-California Fast Freight do.

Q. But you do know that it would be reasonably possible for them to be sufficiently familiar with the stations on your system so as to know their geographic location?

A. I think so.

Q. Yes.

A. We must remember that most of the traffic that the trouble we have with moves north and not south.

Q. So that it requires a reasonable degree of familiarity on the part of O. N. C. billing agents with the stations on your system in the north?

A. It's a bigger problem, yes, sir; on north-bound.

Q. But we are still in agreement that it is not such a
1486 big problem, but what it would be reasonably possible for the clerk to familiarize himself with it? You are still in agreement with me on that, aren't you?

A. Oh, yes. Nothing is impossible.

Q. Now, does either of these companies furnish to its clerks and employees any kind of a guide similar to the Railroad Guide which all railroad companies furnish to their billing clerks for their assistance in locating the stations on the lines of other carriers?

A. I can speak for our company. Yes.

Q. And you have a guide, then, which shows you the location of every station on the line of the Oregon-Nevada-California Fast Freight?

A. Oh, yes.

Q. Do you know whether or not the Oregon-Nevada-California agents and employees have a guide which shows the location of the stations on your line?

A. I don't know, sir.

Q. If they did have such a guide and used it as railroad clerks use the Railway Guide, which is published by the railroad companies, ought there to be any unnecessary and unavoidable errors in billing due to lack of knowledge?

A. There would still be the same trouble. There would be some trouble regardless of what materials you might give a man to work with.

1487 Q. Well then, if that human element is unavoidable it would be unavoidable in the case of a through operation the same as it would be in the case of a joint line operation? Is that true?

A. Oh, yes.

Q. If you had through billing, as Mr. James suggests is desirable, then you would not have any necessity for separating billing and distributing it as you now have, would you?

A. Yes, sir. We still would have.

Q. You still would have. And that necessity would arise out of the failure of your two companies to interchange equipment and handle as a single line would handle the equipment? That is true, is it not?

The WITNESS. I had better have that question again.

Chairman TERRIL. Read it, please.

(The pending question was read by the reporter as above recorded.)

A. We are not talking about equipment, are we?

By Mr. FARRENS:

Q. Yes. Because is it not true that the necessity for segregating the billing and distributing it to your equipment on northbound movements from Medford is because the lading is being transferred from O. N. C. equipment to that of the Consolidated Freightways?

A. It doesn't make any difference whether it moves through on a through piece of equipment or transferred at Medford.

1488 We still have the same routine to go through in the bills.

Q. Well, is that occasioned for what reason? That occasion would not happen at the ordinary station of a through line, would it?

A. The separating would all be done at point of origin on a through line. In case of interline it has to be done at both places—at the junction point and the point of origin.

Q. And how could that be avoided? What change in your practice would avoid that?

A. I'm sure I am not familiar enough to tell you what could be done there.

Q. Well now, will you describe to us what would be done in that particular in the event your extension were granted and your company were operating directly through from San Francisco via Medford to Portland?

A. It wouldn't have any of that to go through at Medford or any junction point on our line.

Q. Why wouldn't you?

A. Because it would be done at point of origin.

Q. Right. Why can't it be done at point of origin?

A. A part of that work is done at point of origin. We have also to do some of it at the junction point.

Q. Why can't it all be done at point of origin?

A. I guess it could be, but I am just afraid that it might cause delay to getting equipment out. It would just take
1489 that much longer.

Q. Well, will it cause delay to the getting out of your equipment just that much longer if you operate on your proposed extension as a single line?

A. Yes. I believe it would take much longer. In fact, I know it takes longer to have to go over part of that process at junction point.

Q. So that there would be, then, an advantage——

Mr. SCHAFER. (interrupting). I would like to hear that last question and the answer.

Mr. FARRENS. The answer was not responsive, I will grant you that.

(The question and answer referred to were read by the reporter as above recorded.)

By Mr. FARRENS:

Q. So then there would be an advantage to be gained in the matter of time in transit and expense and work if your present joint line operations were conducted on a basis of having the segregation of bills and the allocation of bills to specific pieces of equipment done at the point of origin, is that right?

A. It could be done at point of origin.

Mr. SCHAFER. That doesn't answer the question, Mr. King.

Mr. FARRENS. Would you read the question, please?

Mr. SCHAFER. Answer the question, if you know.

1490 By Mr. FARRENS:

Q. I want to know whether or not there would be an advantage in the elimination of delays and saving of work by doing it at the point of origin.

A. I don't believe there would be. That is, on a joint operation I don't think there would be any saving there. On a through operation, yes.

Q. Will you explain why there would be a saving in a through operation and none in a joint operation?

A. Well, on a through operation you don't have as many bills—as many copies of bills, I should say, to handle as you do on a joint operation.

Q. Let us assume that we were having through billing as suggested by Mr. James. You would have identically the same number of bills to handle, namely, a copy for the point of origin, a copy for the destination. Is that true?

A. I believe the system would be about the same as far as number of bills are concerned.

Q. All right now. We have eliminated this suggestion of yours that the number of bills makes a difference. Have you any other suggestion to make as to why you have testified that there would be a saving in time and labor in the case of a through line by making the segregation of billing at the point of origin and no saving in the case of a joint line operation?

A. There is a difference between a shipment moving on local lines and one moving over two or more lines whether it is the
1491 Freightways organization or not.

Q. Let us get back. You say there is a difference. I am not interested in what other differences there may be. I am talking to you about segregation and trying to get you to explain to this Board, if it is possible to explain, as to why you said there would be an advantage in the case of a single line operation at point of origin but no advantage to the joint line operation.

A. For the reason that on a through operation you do not have as many copies of bills as you do on a joint operation.

Q. We have been all through that once. Then you agree with me that if through billing were used, as suggested by Mr. James, there would be no difference. Now I am asking you—you have got past that point—Is there any other reason why there wouldn't be exactly the same saving in labor and time in segregating billing at point of origin and allocating it to equipment on a joint line as on a through line?

A. I had better have that question again. I am sorry.

Q. Never mind. I will try to reframe that question.

Mr. SCHAFER. I will admit that I can't understand the question myself.

Mr. FARRENS. I am not concerned with the degree of intelligence that counsel has, if the Board please.

By Mr. FARRENS:

Q. Mr. James here has suggested, among other things,
1492 first, through billing; and, second, through operation of equipment. In other words, he has suggested that the billing be through on this joint operation precisely the same as if it were a single line operation. He has suggested the interchange of equipment at Medford so that the operation as to running of equipment would be precisely the same as a single line operation. Is that clear to you?

A. Uh-huh (affirmative).

Q. Now, having those two factors in mind, will you explain why segregation of billing and allocation of it to specific equipment at point of origin wouldn't be as effective in saving delay and work under those conditions as if it were a single line operation?

A. If all the freight were moving on a through piece of equipment or pieces of equipment that might be possible to do and take no more time. But how can a man in San Francisco sort and segregate his bills by equipment when he doesn't know what equipment it is going to go into at point of interchange?

Q. Didn't I just say to you that Mr. James' plan didn't involve interchange of equipment at Medford, that he was proposing that equipment go through without transfer of lading? Now, if you are not going to transfer the lading at Medford and you are going to start it out with a through billing, then is there any reason why segregation of bills and allocation of it to the equipment which is going to pass right on through Medford as if it were a single
1493 line operation wouldn't save just as much time and work in the case of a joint line operation as in the case of a single line operation?

Mr. SCHAFER. Now, I think the witness has been misinformed here about Mr. James' testimony. I don't think that there is any proposal here to interchange power equipment, and I haven't found anything in this letter that indicates that they would exchange power equipment and trailers together.

A. That is what I was just going to bring out, the fact that——

Mr. FARRENS (interrupting). If the Board please, the question of whether an engine is changed on the front of a train or a motor changed on the front of a piece of equipment hasn't anything to do with the passage of lading equipment through the point which is now an interchange point.

Mr. SCHAFER. If the Board please, the trailers cannot be pulled by empty trucks, and the interchange of trailers is as far as Mr. James has said that he expected to be able to go.

Chairman TERRIL. May I ask for a point of information? You are predicating your question upon the letter of Mr. James?

Mr. FARRENS. That is correct.

Chairman TERRIL. How far does that go as to the through operation of equipment, Mr. Farrens?

Mr. FARRENS. He said: "We would work out ways of easily interchanging equipment as between companies. There is no great difficulty involved here."

1494 Mr. SCHAFER. On that point, here is a letter written two years ago when the very thought was in its informative stage. Mr. James has testified since that the Freightways has tried one example of interchanging power equipment and it has failed. We can't make it work.

Chairman TERRIL. The question is predicated upon that letter and is a proper question. The witness may answer.

Mr. FARRENS. Now, you will have to give the witness the question, I imagine.

The WITNESS. That's right.

(The question referred to was read by the reporter as above recorded.)

The WITNESS. Yes. If all the freight could move on through equipment, then the work could be done at point of origin.

By Mr. FARRENS:

Q. When you handle freight between Minneapolis and Portland there are one or more points at which the lading is transferred. Is that correct?

A. I am not certain as to the number of points.

Q. All right. Mr. James testified yesterday that there were one or more transfers of lading in a movement of freight between Minneapolis and Portland. In such an operation is the interline settlement handled at any such transfer point?

A. There is no interline settlements in connection with the shipment from Minneapolis to Portland.

1495 Q. Well, you have got to have communication, haven't you, between points as to freight charges?

A. Not on a local shipment.

Q. All right. Is there any correction handled at a point of transfer of lading with respect to correction of freight rates?

A. Oh, no. Any shipment that moves over one line from point of origin to point of destination, any intermediate agent does not make any changes in bills.

Q. That is true. Now, if you are handling the freight between San Francisco and Portland on through bills with equipment moving through Medford without transfer of lading, wouldn't the corrections of freight rate errors be made at point of destination?

A. Yes. That's what is being done now on our through bills.

Mr. JENNINGS. Mr. Farrens, if you reach a point that would not interrupt you so much, would it be possible to put Mr. Callaway on?

Mr. FARRENS. It will be agreeable with me, but I shall be there any minute, I think. I hope!

By Mr. FARRENS:

Q. Did you ever work for a railroad company?

A. Yes, sir.

Q. Are you familiar with the fact that all interline settlements of railroad companies are handled between the home offices of such companies and not between agents at interline

1496 points?

A. I couldn't say. I don't know.

Q. Well, if it is a fact that interline settlements are handled between the accounting departments of the interchanging carriers forming the joint through operation, is there any reason

why that shouldn't be done in the case of the O. N. C. and Consolidated on this traffic?

A. It could be done if the two could work out a plan to do so. It would be a very hard thing to do, I should think, though.

Q. If it were done it would save the delay and work that is done at the interchange point, wouldn't it?

A. If that could be done; yes.

Q. And the way you are handling it presently, part of the work is done by you, or all of it, in interchange settlements at Medford and then it has to be confirmed by the freight accounting department of each carrier at the home office. That is true, is it not?

A. Yes. Correction notices are checked by each general office.

Mr. FARRENS. Yes.

I have finished with this point No. 2, which is the first point raised by this witness. As far as I am concerned, I shall be glad to defer here.

Mr. SCHAFER. May we have a little recess?

Chairman TERRIL. Let us have a few minutes recess. We will not make it too long.

1497 (Thereupon a short recess was taken, after which proceedings were resumed as follows:)

Mr. JENNINGS. Will you take the stand, please, Mr. Callaway?

MILTON A. CALLAWAY was sworn and testified as follows:

Direct examination by Mr. JENNINGS:

Q. Will you state your full name for the record, please?

A. Milton A. Callaway.

Q. Where do you reside, Mr. Callaway?

A. Los Angeles.

Q. What is your business?

A. President and general manager of Cascade, Inc.

Q. Have you a short statement that you wish to make for the record?

A. Yes; I have.

Q. Will you proceed with your statement?

A. Cascade, Inc., operating as Cascade Fast Freight offers the shipping public in San Francisco, Oakland, and the Bay District a daily service into the States of Oregon, Washington, and Idaho. Cascade serves points direct, beginning at Ashland, Oregon, to and including Portland, Oregon, on U. S. Highway 99. All other points in the states mentioned are handled through connecting carriers.

1498 Due to the highly competitive conditions existing in San Francisco, Oakland, and the Bay District, all north-bound freight is dispatched on our Los Angeles north-bound trucks, and

when the lading does not warrant the line haul truck coming into San Francisco the freight is shuttled into Stockton, California, where it connects with the line haul truck. In this manner we are able to compete with the running time of the applicants now serving this territory.

In order that we may secure our share of the tonnage in San Francisco, Oakland, and the Bay District we are starting a daily schedule between San Francisco, California, and Portland, Oregon, operating independent of the Los Angeles-Portland schedule, just as soon as we receive delivery of six new pieces of equipment now on order, same being promised to us within fifteen days from this date.

The new units will be equipped with the latest type of refrigeration, filling an urgent need of the shipping public, and we have been assured by the shippers that they will support this service.

With the new schedule and the new equipment we will be able to reduce our running time approximately twelve hours.

The arrangements made with connecting carriers from freight destined beyond Portland enables us to compete with carriers having a through service.

Cascade maintains agencies, offering pick-up and delivery
1499 services in San Francisco, and in Oakland, and should the shipping public or the Interstate Commerce Commission deem it necessary to increase this service and equipment in this operation, Cascade stands ready and willing to do so.

Chairman TERRIL. Cross-examination, gentlemen.

Mr. BEROL. I take it that the testimony of this witness goes also for the case in which I am particularly interested.

The WITNESS. Yes, sir.

Cross-examination by Mr. ELLIS:

Q. Mr. Callaway, you use truck and trailer equipment, do you?

A. Yes, sir.

Q. What type of trailer equipment do you use?

A. A four-wheel and a six-wheel trailer refrigerated. Is that what you mean?

Q. Yes. You have arrangements with the connecting carriers serving Seattle and Spokane, have you, at the present time?

A. Yes.

Q. You have joint route and through rate arrangements?

A. Yes, sir.

Q. In the event sufficient tonnage should develop from California points destined to Seattle or Spokane, or sufficient tonnage originating at Seattle and Spokane destined to San Francisco Bay or Los Angeles justify the operation of through
1500 trailers, would you be willing to enter into arrangements

for the interchange of trailers with your connecting carriers at Portland?

A. I would.

Q. Do you believe such an arrangement will be practicable in the event lading was sufficient to justify sending those trailers through to junction point?

A. I think it would.

Mr. ELLIS. That is all.

By Mr. FARRENS:

Q. Mr. Callaway, do you have any difficulty in correcting erroneous freight entries on freight bills at point of destination?

A. Very little.

Q. Does the fact that you are operating through service—single line service—cause you any difficulty in tracing stray shipments from point of destination?

A. Let me get that question just a little clearer.

Q. Well, you have no interchange point at Medford or elsewhere?

A. No, sir.

Q. You haven't the advantage of being able to have a check as between some intermediate point between Los Angeles and Portland?

A. No, sir.

Q. Does that fact cause you to have any difficulty in
1501 tracing stray shipments from your Portland office?

A. No, sir; none.

Q. What do you do with respect to the loading of your equipment, having in mind the differences between the weight restrictions in Oregon and the weight restrictions in California?

A. We load to the capacity of Oregon.

Q. Do you have any difficulty in giving to shippers on your line proper information as to the shipments moving to points on your connecting carriers?

A. No, sir; very little.

Q. Do you have any difficulty with respect to the misrouting of shipments at the junction points where you connect with other carriers?

A. I would say a minimum amount.

Q. If you had such a quantity of interchange freight as has been indicated as interchanged between O. N. C. and Consolidated Freightways, would you believe that the adoption of the through bill of lading instead of rebilling it at interchange points would be a good practice?

The WITNESS. Let me get that again, too.

Mr. FERRENS. Read it.

(The question referred to was read by the reporter as above recorded.)

A. We don't bill it through ourselves.

1502 By Mr. FARRENS:

Q. Well, but you haven't any carrier with whom you interchange the volume of traffic that O. N. C. and Consolidated Freightways have?

A. No, sir. I don't have that big a problem.

Q. My question included the consideration where the volume was as large.

A. I would say, if they billed it through that you would eliminate a whole lot of corrections.

Mr. FARRENS. That is all.

Chairman TERRIL. Any further examination?

By Mr. SCHAFER:

Q. Your company has recently changed management, has it not, Mr. Callaway?

A. No, sir; it hasn't. That is, recently. I have been in there a little better than a year.

Q. Who is Webb Richards?

A. He was in there prior to me going into it.

Q. He was what?

A. He owned Cascade prior to my taking it over.

Q. I see. And who owns it now?

A. I do.

Q. Is that a corporation?

A. Yes, sir; I control it.

Q. Where is the headquarters of that corporation?

A. Los Angeles.

Examiner KEPHART. How much equipment does it own?

1503 The WITNESS. We operate eight pieces.

Chairman TERRIL. Is that truck and trailer or tractor and trailer?

The WITNESS. That is truck and trailer.

Examiner KEPHART. That is 16 pieces?

The WITNESS. 16 pieces; yes, sir.

Examiner KEPHART. How far north do you go?

The WITNESS. To Portland, Oregon.

By Mr. SCHAFER:

Q. Where did you get the previous transportation experience?

A. I used to work for the English Freight Company.

Q. And is that a part of the System?

A. No, sir.

Q. English owns an interest in System, doesn't it?

A. I believe English personally owns an interest in it.
Q. And they now have an option to purchase Cascade?
A. Yes, sir.
Q. Let us get this straight. You were working for English who owns a part of System?
A. He owns a minority part.
Q. And a year ago you took the charge and active management of Cascade?
A. Yes.
Q. And now System is applying to purchase Cascade?
A. That's right.
1504 Examiner KEPHART. What system?
The WITNESS. System Freight Service.
Examiner KEPHART. System Frenght Service?
The WITNESS. In Los Angeles.

By Mr. SCHAFER:
Q. And you bought this business in 1939?
A. Yes, sir.
Q. That's December, 1939?
A. About November.
Q. About November?
A. As I recall.
Q. You have had it less than a year?
A. Yes, sir.
Q. But you have been managing it all that time?
A. Yes, sir.
Q. Your business has been increasing steadily quite substantially, has it not?
A. Yes, sir; it has.
Q. As a matter of fact, it showed an 86 percent increase in 1939 over 1938. Did you know that?
A. I knew it; yes.
Q. And heretofore you have served San Francisco as an off-route point. Isn't that true?
A. Yes, sir.
Q. And your grandfather rights, which I understand were issued once and set aside, gave you San Francisco as an off-route point?
1505 A. Yes, sir.
Q. But at the insistence of some protestants your grandfather rights have been set aside?
A. Yes.
Q. And now you are operating on a claim of grandfather rights?
A. That is right.

Q. You are going to broaden that out to a fixed termini daily schedule out of San Francisco?

A. Yes, sir.

Q. How do you handle Klamath Falls freight?

A. I don't have a concurrence in there. I have to give it to Oregon-Cal.

Q. At San Francisco?

A. No; at Medford.

Q. At Medford?

A. Yes, sir. I mean, Nevada-Oregon-Cal.

Q. And have you also abandoned Lakeview?

A. I believe I gave that to Consolidated.

Q. At what point?

A. At either Medford or Eugene or in there somewhere.

Q. If I tell you that Consolidated doesn't have a concurrence with you at those points, and that it would have to go through Portland——

A. (Interrupting.) I don't give it to you, then. I use the other line. I don't have a concurrence at those points, I
1506 believe.

Q. You don't have much volume of that freight anyway, do you?

A. Very little.

Q. Yes. You are not here opposing the application of Consolidated to take our freight through Klamath Falls to those points, which would be 150 miles shorter, and avoid a more congested highway?

A. No, sir; I am not.

Q. Do you handle any volume of freight for western Montana?

A. Very little.

Q. North Idaho?

A. A small amount.

Q. Do you serve all intermediate points along the route?

A. Yes, sir; on 99.

Q. You think that you can now put on a daily fixed termini schedule and that it will be supported?

A. I am led to believe that.

Q. I believe you stated that there is an urgent need felt by the shipping public for such a service?

A. For a refrigerated service.

Q. And a daily schedule service, such as you propose?

A. Yes, sir.

Q. How long have you thought so?

A. Oh, for the past five or six months.

Q. I see. Your volume from San Francisco is growing enough so you feel that you can do that?

1507 A. Yes; it is.

Q. You say you have very little difficulty in correcting mistakes and so forth which occur at transfer points. I will ask you if you were to take your present volume between Los Angeles and Seattle, just cut your line in two——

Mr. BEROL. Portland, counsel.

By Mr. SCHAFER:

Q. Los Angeles and Portland, and transfer all your truck freight and part of the trailer freight at a half-way point with another carrier, involving all the rechecking, rebilling, and so forth, would you consider that operation as efficient as the one you now have?

A. Well, I naturally wouldn't think it would be.

Mr. SCHAFER. That is all.

Chairman TERRIL. May I have that answer?

(The answer referred to was read by the reporter as above recorded.)

By Mr. BEROL:

Q. Mr. Callaway, are you here protesting the application of the Oregon-Nevada-California Fast Freight?

A. Well, yes; I am. That is, I am satisfied with it like it is, if you know what I mean. It's bad enough like it is!

Q. What is bad enough?

A. The competition.

Q. You feel that the Oregon-Nevada-California Fast Freight is pretty much a live competition?

A. Yes, sir.

1508 Q. Mr. Callaway, let me ask you, Are you protesting the application of the Oregon-Nevada-California Fast Freight insofar as it proposes to extend its service to the Coos Bay, Marshfield, Coquille area?

A. No, sir; I am not.

Q. You are not. Now, let me ask you, Are you protesting the application of the Oregon-Nevada-California Fast Freight insofar as it proposes to extend its service to Lakeview, Oregon?

A. No.

Q. Are you protesting the application of the Oregon-Nevada-California Fast Freight insofar as it proposes a service to Vancouver, Camas, or Washougal, Washington?

A. Yes.

Q. You are. In other words, I take it that your appearance here in protest to the application covers only those points north of Medford substantially on Highway 99?

A. That's correct.

Q. Let me ask you, Mr. Callaway: You testified maintaining an agency in San Francisco. What is the character of the agency that you maintain here?

A. Commission agent.

Q. Who is that?

A. Dodd Warehouse.

Q. In other words, you do not maintain your own employees here?

1509 A. Yes, sir. I have one; a solicitor.

Q. A solicitor?

A. Yes.

Q. Do you maintain any pick-up and delivery equipment in San Francisco?

A. No, sir.

Q. Are your facilities in Oakland of a similar character to those in San Francisco?

A. Yes, sir.

Q. You mentioned something about operating a shuttle service between the Bay area and Stockton in order to take care of the San Francisco Bay freight. Is that shuttle service maintained with your own equipment?

A. It is my agent's equipment.

Q. Your agent. Is that the Dodd Warehouse?

A. No; a Stockton agent.

Q. In other words, he is in the nature of a connecting carrier, is he not?

A. Yes, sir.

Q. Has that situation been true ever since you have been managing the company?

A. Yes.

Q. You state that you have six new pieces of equipment under order and that when that new equipment arrives you will

1510 then serve San Francisco directly daily?

A. Yes, sir. That is my plan.

Q. When you do that, Mr. Callaway, will it be your purpose to continue the same pick-up and delivery service that you maintain today?

A. So long as it is satisfactory.

Q. You don't propose to establish your own pick-up and delivery service in San Francisco or Oakland?

A. Well, eventually I will.

Q. These six new pieces of equipment that you have ordered, are they in replacement of present equipment?

A. No, sir.

Q. You are going to continue to operate your present equipment?

A. Yes, sir.

Q. These eight units of truck and trailer equipment that you are operating at the present time, are they all owned by the company or are any of them leased?

A. Some of them are leased.

Q. How many of them are owned by the company and how many are leased?

A. I have three that I own and five that I lease.

Q. Three that you own and five that you lease?

A. Yes, sir.

Q. And has that situation been approximately true ever since you have been managing the company?

1511

A. Yes, sir.

Q. You are operating, I think you answered in response to a question by counsel, under a claim of operative rights of your predecessors under the grandfather clause of the Motor Carrier Act?

A. That is correct.

Q. Do I understand correctly that the formal hearing on that application is scheduled for Los Angeles on September 25 of this year?

A. Whether the exact date has been set I am not sure, but in the near future.

Q. But you do contemplate a formal hearing in the near future?

A. That is right.

Mr. BEROL. I think that is all.

Chairman TERRIL. You intend also to continue the operation of this leased equipment after your new is delivered to you?

The WITNESS. Yes, sir.

Examiner KEPHART. What is your main route? Through Stockton and Sacramento?

The WITNESS. Yes, sir.

Examiner KEPHART. If you should serve San Francisco how would you do it? Come in from Stockton?

The WITNESS. I would serve San Francisco directly from here to Portland.

1512

Examiner KEPHART. Over Route 99. You would come into San Francisco from the south over 101, or how?

The WITNESS. No; over 99 from Sacramento, that highway there.

Examiner KEPHART. From the Stockton-Sacramento Highway in and out again?

The WITNESS. Yes, sir.

Examiner KEPHART. Back to 99.

Mr. BEROL. I wonder if I could ask one or two additional questions.

Examiner KEPHART. Just a minute.

Have you filed an application for that extension to San Francisco?

The WITNESS. We claim that right any way.

Examiner KEPHART. Under the grandfather clause?

The WITNESS. Yes.

Examiner KEPHART. If it is being operated by connecting line how do you have it under the grandfather clause?

The WITNESS. We don't operate a hundred percent under the grandfather clause. I come in here four or five times a week.

Examiner KEPHART. On your own equipment?

The WITNESS. Yes, sir.

Chairman TERRIL. Do you anticipate operating to San
1513 Francisco on your own equipment?

The WITNESS. Yes, sir. That is what I am starting right now.

Chairman TERRIL. That would not be a part of your through service from San Francisco to Portland?

The WITNESS. That is correct.

By Mr. BEROL:

Q. There has been some reference in this record to other lines which are operating in the area which are not represented in this proceeding. Are you familiar in a general way with your competition in the territory?

A. In a general way; yes, sir.

Q. Are you familiar with the operations of the Pacific Coast Refrigerated Motor Lines?

A. Not as much as probably—I know very little about them.

Q. You have not felt their competition?

A. No, sir.

Q. Are you familiar in a general way with the operations of Mitchell Brothers?

A. Just in a remote way.

Q. You haven't felt their competition?

A. No, sir.

Mr. BEROL. I think those were the two that I was interested in.

By Mr. FARRENS:

Q. You are sufficiently familiar with the operation of
1514 Mitchell Brothers and felt their competition sufficiently that you appeared by counsel in their hearing in Portland and protested?

A. That is right.

By Mr. BEROL:

Q. In other words, your view was that they didn't have any operative rights?

A. Well, we were there protesting.

By Mr. HICKSON:

Q. Mr. Callaway, I have been shut out so far, but I want to ask one question.

Mr. BEROL. That is the first time I ever heard that Mr. Hickson was ever shut out of anything.

Chairman TERRIL. Counsel is not shut out of anything in this hearing to which he is entitled.

Mr. HICKSON. I understand that. I don't propose to be, either.

By Mr. HICKSON:

Q. I understand you to say in response to a question by Mr. Berol that you were not opposed to the extension of the Oregon-Nevada-California Fast Freight into the Coos Bay area. I ask you, Do you have freight moving into that territory?

A. We do have some freight moving in there; not in large quantities.

Q. To what point?

A. I would have to have a map to [pause].

Q. Can you tell me generally, Do you move freight to points south of Coquille on U. S. Highway 101?

1515 A. We do have some freight into Coquille and south.

Q. And south of Coquille?

A. Yes.

Q. And how do you handle that now?

A. Through connecting carriers.

Q. Through connecting carriers?

A. Yes, sir.

Q. You are familiar with the fact that Consolidated Freight Lines have an application pending here to extend their service from Marshfield south to San Francisco over U. S. Highway 101?

A. Yes, sir; I am familiar with that.

Q. If it should result that the inauguration of that service would impair the ability of some of the existing carriers who are now handling that local freight south of Coquille to intermediate points in Oregon——

A. (Interrupting.) I would naturally object to it.

Mr. BEROL. In order that the record may be clear, may I ask if counsel's question now is directed only to the application of Consolidated and not to the application of Oregon-Nevada-California Fast Freight?

Mr. HICKSON. That is correct, Mr. Berol.

Mr. BEROL. Thank you.

By Mr. HICKSON:

Q. You would be opposed to that?

1516 A. Yes, sir.

Q. And you feel that you need the service of those carriers to render local service to those intermediate points on U. S. Highway 101?

A. That is correct.

Q. And if you were deprived of that service it would be a distinct loss to your company, would it not?

A. Yes, sir.

Mr. HICKSON. That is all.

Redirect examination by Mr. JENNINGS:

Q. Mr. Callaway, when you in response to a question said that you didn't maintain any pick-up equipment in San Francisco, did you mean to give the impression that there wasn't any operated on behalf of the company or that it was not owned by the company?

A. I meant it wasn't owned by the company.

Q. Referring to your response as to the competition of, for example, Mitchell Brothers, do you want to give the Commission the impression that Mitchell Brothers is not competing with you?

A. No, sir. I realize that they are competing.

Q. The same thing is true with respect to the other companies?

A. That is right.

Mr. JENNINGS. That is all.

Chairman TERRIL. Is that all of this witness?

1517 Mr. SCHAFER. I have nothing further.

Chairman TERRIL. You are excused, Mr. Callaway.

(Witness excused.)

FRED P. KING resumed the stand and further testified as follows:

Cross-examination (resumed) by Mr. FARRENS:

Q. Mr. King, what causes freight destined to Willamette Valley points to be loaded in through trailers by Oregon-Nevada-California Fast Freight?

A. I am sure I couldn't tell you. I am not down in California.

Q. I mean, is that an error, a mistake in lading when that happens?

A. I couldn't say what causes those errors. I don't see the operation.

Q. It is an error and a mistake, is it not, when freight for the Willamette Valley is loaded into a through trailer?

A. On somebody's part. We don't know whose. It might be shippers'.

Q. And that again is such an error and such a mistake as is due to lack of proper education, in your opinion?

A. I wouldn't say, I am sure, as far as the south operation is concerned.

Q. I understood from your direct testimony that when you have cooperation from Oregon-Nevada-California Fast Freight
1518 such that if the equipment arrived early enough in the day at Medford, it then becomes possible for you to make second-morning delivery of freight to Seattle. That is correct, is it not?

A. I don't think I said that.

Q. My notes of your testimony show that you testified that when equipment of Oregon-Nevada-California Fast Freight arrived early enough in the day—that is to say, before 1:00 o'clock—and contained sufficient freight so that you could make up a load destined to Seattle, that you then on occcasion made second-morning delivery in Seattle.

A. Only in cases where there is enough tonnage arriving on trucks which has to be transferred to make up a load for a truck to drag the through trailer that might come in early.

Q. And under those circumstances you do find it possible to make second-morning delivery in Seattle?

A. Very, very seldom.

Q. But you do find it at times?

A. Well, as I say, very, very seldom. I can only remember of one or possibly two instances.

Q. Well, as frequently as that occasion arises it is possible to make second-morning delivery in Seattle? Is that true?

A. No. I would say No.

Q. Why not?

A. Due to the fact that you need power equipment to
1519 drag a trailer and you have got to have enough freight in a truck before you can send it out.

Q. Well, then, if there is enough freight delivered by Oregon-Nevada-California Fast Freight to you in the morning at Medford, you can send it out and you can make second-morning delivery in Seattle? Is that right?

Mr. SCHAFER. He has answered that question two or three times. I am going to object to the repetition and the delay. He said that it has happened once. Sure it is possible! It has happened. It is just repetition here.

Mr. FARRENS. Well, if counsel concedes that it is possible, why——

Mr. SCHAFER (interrupting). He says it has happened once in his experience. That demonstrates that it is possible.

Chairman TERRIL. I believe the witness testified that it was possible.

By Mr. FARRENS:

Q. You don't pose as an expert on the question as to what arrangements will be made or ought to be made between O. N. C.

and Consolidated with respect to maintenance on each other's lines of interchange equipment, do you?

A. No; that is out of my line.

Q. And insofar as your direct testimony related to that subject, it was not authoritative but merely incidental to something else, is that correct?

1520 A. I told what I knew.

Q. You said that 25 to 40 percent of the time your information from Oregon-Nevada-California Fast Freight as to the amount of shipments which it would deliver in the north-bound movement was incorrect. What causes that?

A. Most of it is caused from the fact that tonnage is picked up at points north of San Francisco, such as Sacramento, Redding, and so forth.

Q. If, as Mr. James has suggested, there was an interchange of equipment and equipment moved through Medford just as it would on a single line, the question of misinformation would cease to be a matter of any importance, would it not?

A. No; because you still have to transfer freight that is in trucks, as a trailer cannot go on through by itself.

Q. You would have the same trouble, you mean to say, if it were a single line operation?

A. No; because your equipment could be loaded so that it would operate through.

Q. Well, is there any reason if your equipment is being operated through Medford by interchange of equipment, the same as if Medford were merely a way station, why this information or misinformation would be a matter of importance?

The WITNESS. I had better have that question again.

(The pending question was read by the reporter as above recorded.)

1521 A. Well, it wouldn't affect Medford station in that case on a through movement via our lines. We wouldn't be interested in it.

By Mr. FARRENS:

Q. That is right. You said that the lateness of arrival at Medford of Oregon-Nevada-California equipment makes it impossible to load shipments destined to one point in a single piece of equipment. Does that difficulty arise from the fact that Oregon-Nevada-California Fast Freight is receiving freight at San Francisco and Oakland all through the business day and that it dispatches its equipment north-bound as it is loaded?

A. I couldn't say because I am not, as I say, down in San Francisco. I don't know what causes this lateness of equipment.

Q. Well, tell me, if your company were operating from San Francisco north-bound and followed that same practice, you would

have the same situation as the equipment passed through Medford as you now try to overcome at Medford, would you not?

A. No. On a through movement you would cut out all this delay at Medford.

Q. That is right. And your equipment, if loaded as offered without regard to destination, would contain shipments destined to Willamette Valley as well as shipments destined to Portland? That is true, is it not?

A. We couldn't send equipment out. We wouldn't send
1522 it out unless it was loaded in station order.

Q. Then if O. N. C. would refrain from sending equipment out except when it is loaded in station order this difficulty would be avoided, isn't that true?

A. I couldn't say whether it would or not.

Mr. BEROL. Counsel, in order to be entirely fair with the witness, it seems to me that my recollection on behalf of O. N. C. is that the testimony is that they were loading equipment out in station order and that accounted for some of the delay.

By Mr. FARRENS:

Q. If counsel's statement, which you have heard just now is correct, how would the loading of freight out in station order occasion delay on your line?

A. I believe that he was having reference to through trailers. Those are in station order.

Mr. BEROL. I think that is right.

By Mr. FARRENS:

Q. But if equipment other than through trailers were loaded out in station order that would avoid this difficulty which you have mentioned, where in reloading you are unable to place all of the loads for single destination in a single piece of equipment because the freight destined to that single destination arrives in separate vehicles spread out through the morning clear up until the latter part of the day? Isn't that true?

A. No. Of course, that would depend upon the tonnage
1523 for any particular point.

Q. Truly. But we are assuming that you do receive during the day at Medford sufficient tonnage for an individual destination so that piece of equipment could be loaded with the entire tonnage destined to that point. If that loading were so arranged by the O. N. C. at point of origin rather than being scattered in different pieces of equipment throughout the day and delivered at times throughout the day at Medford, that situation would be avoided? Isn't that true?

A. Only in part.

Q. Well, what part of it would not be avoided?

A. You would still have to transfer your freight at Medford.

Q. And that necessity for transfer of freight at Medford, however, would not be delayed because you would be able to pickup all of this freight destined to one place and reload it into a piece of your equipment moving to one place. Is that true?

A. Well, you have many other delays besides just the process of wheeling freight across the platform.

Q. You would avoid that because of delay in the manner that I have indicated. Is that not true?

A. It would possibly on a small part of the tonnage. On a small station it might.

Q. This separation of shipments from their bills of lading is caused entirely by the fact that you are not operating
1524 equipment through Medford as a single line would and could, is that true?

A. Yes. If we were operating through service there would be no separation at Medford.

Q. And if the two companies were acting as a single line would in that regard and operating through equipment interchanging equipment rather than the lading at Medford, the same thing would be true. That is a fact, is it not?

Mr. SCHAFER. To save time I will stipulate that if the two lines were merged into one line, they would then be one line and eliminate the difficulties.

By Mr. FARRENS:

Q. Do you need to have the question read back to you because of your counsel's interruption, or do you have it in mind?

A. Well, he answered the question.

Mr. FARRENS. No; he didn't.

Mr. SCHAFER. I didn't mean to answer the question. I thought I would save time by stipulating. If they were operated by one line it would eliminate the difficulty.

The WITNESS. It then would become a local service and there would be no handling at Medford.

By Mr. FARRENS:

Q. And that would do away with the difficulty arising from the separation of the freight bill from the shipment, is that correct?

A. If the shipment moved via our lines from point of
1525 origin to point of destination, yes.

Mr. FARRENS. That is not the question I asked you. You and I are going to save a lot of time if you listen to my question and then endeavor to answer it instead of endeavoring to avoid it.

Read it, please.

(The question referred to was read by the reporter as above recorded.)

The WITNESS. No. On through equipment the separation is done at point of origin.

Mr. SCHAFER. Separation of what?

The WITNESS. The bills; the bills.

By Mr. FARRENS:

Q. And they are separated and allocated to the pieces of equipment which carry the lading and, therefore, it becomes impossible for that lading and that bill to become separated during transit? Isn't that true?

A. That isn't impossible.

Q. Yes. If the driver wanted to stop and trade his freight bill with some other driver it would be possible. That is true, is it not? And that is about the only way it could occur, unless you threw them out of the window.

A. The bills on through equipment do not come by the driver or a truck.

Q. How do they come? By mail?

A. By mail or by air express.

1526 Q. And then they are separated from the shipment at the point of origin, are they not?

A. Yes. The bills leave by mail or air express.

Q. And if they were on through billing and sent through to Portland, as Mr. James suggested, then you would not have this trouble about separation of the bill from the lading, would you?

A. No. It then would become the same—in other words, if we had a through operation ourselves, then the bills would move with the freight.

Q. And it is equally true that if you had through billing and interchange of equipment that the bills would move the same as they would on a single line shipment. Isn't that so?

A. I am not in a position to say there. In fact, I don't know what the procedure is on this through billing arrangement with other carriers, excepting what is being done at Medford on our through trailers.

Q. Mr. King, you have been having a great deal of difficulty in answering my questions. Is it because of the fact that you are unable to conceive of the practice that would be invoked in the event your superior officer's, Mr. James, suggestions with respect to through billing and interchange of equipment were adopted?

A. All I know is what I see at Medford.

Mr. FARRENS. That is all.

1527 Mr. ELLIS. I have just a few questions concerning one or two points.

By Mr. Ellis:

Q. How long did you say you had been at Medford?
A. I was clerk at Medford from December '32 until February '36.
Q. And in February 1936 where did you go?
A. I was transferred out of Medford station to Coquille, Oregon.
Q. To Coquille?
A. Yes.
Q. How long were you in Coquille?
A. About three months.
Q. Where did you go from there?
A. I was transferred to Great Falls, Montana.
Q. How long were you in Great Falls?
A. Approximately 15 or 16 months.
Q. Where were you then transferred?
A. To Seattle.
Q. How long were you in Seattle?
A. About two years and four or five months.
Q. Were you with Consolidated Freightways at Seattle?
A. Yes, sir.
Q. And then where were you employed?
A. At Seattle.

1528 Q. Where were you employed after your Seattle experience?

A. Well, I was transferred to Medford as agent in March of this year.
Q. In March of this year?
A. This year. That's right.
Q. So your recent experience at Medford has been confined to the period from March down to the present time?
A. That's right; excepting an experience that I had before I left.
Q. Have you been continuously in the employ of the Consolidated Freightways from the time of your original employment back in 1932 back in Medford?
A. No, sir.
Q. For what period of time have you not been in their employ?
A. I believe there was a period of about four or five months in '33 or '34. I couldn't say for sure just what year. And a period of about the same length of time in 1938, I believe it was.
Q. And your testimony, so far as the situation at Medford is concerned, is based on your recollection of those early years that you spent there back in the beginning of 1932 and your experience during the last few months since March? Is that true?
A. My experience at Medford since March—in other words, the procedures and the problems are about the same as they

1529 were back in '32.

Q. There has not been very much change or improvement in that procedure over this period of years?

A. Oh, yes; a lot of improvement.

Q. There has been a lot of improvement?

A. Yes.

Q. Without going into a lot of detail, will you tell us just some of the highlights of the improvements that have been accomplished since your original experience in Medford?

A. Well, for example, through trailers have been inaugurated.

Q. Just how has that affected the situation as to these particular points that you have enumerated in your direct testimony?

A. It saves a lot of re-handling at Medford and it leaves the biggest portion of the tonnage in the through trailers.

Q. You say "biggest portion." What do you mean?

A. Because practically all through trailers have some tonnage that has to be taken out at Medford.

Q. Are you able to say about what percentage of the tonnage passing through Medford is handled in these through trailers at the present time?

A. I belive my testimony brought out the fact that we have one through trailer every day and sometimes two, and occasionally three. I would say the average is less than two, which—it would be way less than a third of the tonnage.

1530 Q. You believe less than one-third of the tonnage?

A. Less than one-third of the tonnage moves through on through trailers.

Q. Do you have in mind the traffic in both directions in making that statement, or are you thinking of the traffic north-bound?

A. I am talking about north-bound.

Q. As to the traffic south-bound what is the situation?

A. I would say about the same.

Q. Only about one-third of the south-bound traffic moves in through trailers?

A. Approximately; I would say.

Q. In view of the fact that the tonnage of your line south-bound is only about one-third of its tonnage north-bound, how do you account for the fact that there is no difference in the percentage of freight moving in through trailers?

A. Due to the fact that much freight is picked up south of Portland moving south.

Q. Is it fair to assume that about two-thirds of your freight destined to San Francisco Bay points or points south of Medford originates at points south of Portland in Oregon?

A. As far as tonnage, I would say approximately that.

Q. One-third originates in Portland and two-thirds at intermediate points?

A. Not necessarily in Portland, but points——

Q. (Interrupting.) Portland and north?

1531 A. Yes. I haven't got the figures right down to the pound.

Q. As to that freight moving in those through trailers what particular improvements have been inaugurated? What particular savings have resulted in the work at the Medford terminals in the way of billing and rebilling?

A. The through billing has caused a little saving.

Q. That has been a substantial saving?

A. Yes, yes.

Q. Is that through billing in existence in both directions?

A. No; north, only on traffic originating in San Francisco.

Q. Are you able to tell us why the practice has not been used in both directions if it has been found to be a practical and time-saving thing?

A. I don't know. I know that it has been talked about, but as to why it doesn't work I don't know.

Q. You mean as to why it has not been adopted on the south-bound traffic you don't know?

A. Yes.

Q. Mr. Gritsch, if I recall his testimony, stated yesterday that the reason it had not been adopted south-bound was because traffic south-bound moving in this through equipment was so small compared to the north-bound traffic that it was not deemed to be worthwhile. Do you disagree with that view?

A. I don't know. I do know that there is less number of shipments moving south than there is north. You have many

1532 more large shipments moving south, as many more—less number of bills south than there is north.

Q. From your practical experience do you believe it would be worthwhile and desirable to inaugurate south-bound the same through billing arrangement that you now have on traffic moving north-bound?

A. I am not in a position to say. I don't know enough about it.

Q. Are you not the one who is responsible for the work that is done on rebilling at Medford?

A. Oh, yes. I supervise the rebilling at Medford.

Q. And yet you are not in a position to say at this time whether any advantage would result from adopting through billing arrangements south-bound similar to those now in effect north-bound?

A. If such plan could be worked, naturally it would save time. But evidently it can't be done.

Q. Do you know personally of any reason why it can't be done?

A. No; not from my own—no, no. I would have to say, No.

Q. In your practical experience you can think of no reason why, if Oregon-Nevada-Cal. could issue the through bills at San Francisco, it would not be possible for your company to adopt the same process on shipments moving south?

A. Well, if we wanted to go to the expense of changing our entire system to take care of that, it could be done.

1533 Q. You think you would have to change your entire system in order to adopt through billing arrangements south-bound, such as you have north-bound?

A. Yes.

Q. What change would that require?

A. Well, I don't know enough about what would have to be done to really answer that.

Q. Do you know of any reason why the same bill forms that are being used now out of San Francisco could not be supplied to your billing clerks at Portland and used in the opposite direction, in exactly the same way that they are being used today north-bound?

A. It would cost a lot of money to do that because that would be a different type of bill than what we have. You would need a separate machine, for one thing.

Q. You are unable to state at this time, I take it, whether the expense which you think would be great, as providing through bills to your Portland billing clerks on San Francisco tonnage, would be so great as to offset any savings that might result in the work which you are now doing at Medford on south-bound traffic?

A. In connection with the connecting carrier, yes. On a through operation it would be very simple. I mean, through operation, through, via our own lines all the way through.

1534 Q. And on the north-bound traffic do you know whether through billing is now used in conjunction with traffic originating at Oakland?

A. There is no through billing arrangement on shipments moving from Oakland.

Q. Through billing north-bound is confined to San Francisco origin?

A. Yes.

Q. Do you know of any reason from your own familiarity with this situation why the same through billing arrangements could not be adopted on shipments out of Oakland as is followed on shipments out of San Francisco?

A. No; I don't know why the problem hasn't been solved. I know it would be, if that were possible.

Q. Do you know of any condition at Oakland which does not exist at San Francisco which would render the use of through billing forms and practices impractical on the Oakland traffic?

A. I know nothing about the operations other than at my own station.

Q. From your own experience over all of these years in the kind of work that you are doing, do you know of any practical reason, can you conceive of any practical reason why the same through billing arrangements may not be used out of Oakland north-bound as are used out of San Francisco north-bound?

A. If it were possible I am sure that it would be done.

1535 Exam. KEPHART. That does not necessarily follow. That would imply that all problems which can be solved have already been solved, which is not necessarily true.

Chairman TERRIL. Can't you give a direct answer to the question?

The WITNESS. May I have the question again?

(The question referred to was read by the reporter as above recorded.)

The WITNESS. Yes. There isn't the volume of freight.

Exam. KEPHART. Is that a practical reason?

The WITNESS. I would say; yes.

By Mr. ELLIS:

Q. Then it is your statement that there is not sufficient volume of freight moving out of Oakland north-bound at the present time to justify the use of through billing?

A. I don't know that. That's just—I don't know that at all.

Q. Then your answer that there isn't the volume of freight——

Mr. SCHAFER (interrupting). Now, just a moment. His answer was that he couldn't conceive of a reason as to why it was not practicable.

Mr. ELLIS. Oh, I am sorry. He had me confused.

The WITNESS. I am sorry.

By Mr. ELLIS:

Q. You don't know, then, I take it, what the volume of freight is out of Oakland and your are not attempting to express an opinion as to whether it is so small as to make it impractical or

1536 unjustifiable to inaugurate through billing out of Oakland?

A. It is not a matter of tonnage. It is a matter of shipments.

Q. As I understood your direct testimony it was to the effect that you issued rebilling on about 175 shipments per day. Is it not a fact that most of those shipments would originate at Oakland?

A. I didn't say 175 every day. I said from 125; even lower at times; as high as 175.

Q. Where do those shipments originate?

A. Oakland; points that connect at Oakland. It might be Los Angeles freight.

Q. Do you know how many of those or what approximate percentage of those originated at Oakland?

A. No, I do not. I haven't the figures with me.

Q. You know as a practical matter that the substantial volume of traffic north-bound which you receive from Oregon-Nevada-California Fast Freight does originate in the Bay area, either at San Francisco or at Oakland, do you not, and that the local traffic originating at intermediate points is relatively small?

A. Oh, yes. Most of the tonnage originates in Oakland, San Francisco.

Q. Would you not say that 90 percent of the north-bound traffic originates either at San Francisco or at Oakland?

A. I wouldn't say because I haven't got the figures.

Q. Do you know the average number of shipments per
1537 day moving through the Medford terminal north-bound interchanged with O. N. C.-

A. It will run from 200 to as high as five and six hundred.

Q. Would you say about 320 would be a fair average?

A. No. It would be more than that; much more than that.

Mr. SCHAFER. What is that? Number of shipments?

Mr. ELLIS. Yes.

Mr. SCHAFER. Per day?

Mr. ELLIS. Per day.

Mr. SCHAFER. We have that in record form here. It is a matter of evidence.

Mr. ELLIS. But my average from the record shows an average of 320 per day.

Mr. SCHAFER. That is about—

The WITNESS (interrupting). I believe that he picked out the month of June during the strike at Oakland.

Mr. SCHAFER. Well, whatever it is I submit it is in record form, the number of shipments, average per day.

By Mr. ELLIS:

Q. But whatever your records show as to the average number of shipments, out of that total you are rebilling from 125 to 175 each day?

A. Yes.

Q. And by the adoption of through billing from Oakland as well as from San Francisco proper you eliminate substantially all of that rebilling, could you not?

1538 A. If a through billing system were inaugurated, surely,

there would be no rebilling at Medford; that is, on that traffic that originates there.

Q. Have you had any difficulty in your negotiations with Oregon-Nevada-California Fast Freight employees in your contacts with them obtaining a fair and reasonable cooperation from them?

A. As far as I am personally concerned I have had no trouble, but employees between the companies don't always quite agree.

Q. You work with them every day of the week, and I assume you are able to get along with them and cooperate with them about as well as you are with your own associates in the office?

A. Oh, no. I wouldn't say that. Every employee is naturally interested in his own company.

Q. Insofar as personalities are concerned and cooperation, you have had no difficulty in cooperating with the other fellow even though you may have been an employee of Consolidated Freightways?

A. No; I don't have any trouble. I overlook; they give, I give. I am talking about myself.

Q. Do you try to extend the same degree of cooperation to them as you do to your own Consolidated employees?

A. Yes.

Mr. ELLIS. That is all.

1539 By Mr. HICKSON:

Q. Mr. King, I am not entirely clear yet just how long you have been an agent of the Consolidated Freightways at Medford; the total time that you have been there.

A. At Medford?

Q. Yes.

A. March 1940.

Q. That is the total time you have been there?

A. As agent.

Q. Well, you were back there in 1932?

A. I started in Medford in 1932.

Q. How long were you there then?

A. Approximately——

Chairman TERRIL. Mr. Hickson, this has all been covered three times.

Mr. HICKSON. I know, but I want to get that one question clear in my mind.

By Mr. HICKSON:

Q. How long have you been there the total elapsed time?

A. From December 1932, until approximately February 1936, and from March 1940, to the present time.

Q. Is it your testimony now that these 14 points that you have been telling us about and Mr. James has been telling us about have

been encountered at Medford during the whole of that period of time, from 1932 on to the present?

1540 A. Oh, some have developed; possibly some have developed since.

Q. Due to increased tonnage?

A. Oh, yes.

Q. But those difficulties were there during the whole of the time from 1932 up to the present time, so far as you know?

A. No. We didn't have through trailers in the early days. That is a new problem.

Q. Well, you mean to say that the through trailers has increased those difficulties?

A. There are certain difficulties; not all of them.

Q. Well, it is your testimony now, as I understand it, that the major portion of these 14 difficulties are traceable directly to the fact that the employees of the California-Nevada Fast Freight and the Consolidated Freightways are not familiar with the geography of the connecting carrier? That is what you said in your direct testimony, did you not?

A. That was the result of one of our——

Q. (Interrupting.) Well, your answer is, Yes?

A. On one of the disadvantages.

Q. One of the disadvantages?

A. I believe it was No. 2.

Q. And that is the only disadvantage traceable to geography?

A. May I refer to the disadvantages?

Mr. SCHAFER. Here they are.

1541 The WITNESS. No. 2 having to do with rating and billing and so forth.

By Mr. HICKSON:

Q. Billing and rating would be directly traceable to that fact, would it not?

A. Yes.

Q. And routing?

A. Loading.

Q. Lost shipments?

A. Yes.

Q. Difficulty in tracing those shipments would be due to that?

A. It could be.

Q. So there are many things that are traceable directly, according to your testimony to the fact that each carrier is not familiar with the territory of the other carrier?

A. No; I wouldn't say that.

Q. Well, do you want to eliminate your testimony on that now?

A. No; I don't want to eliminate it.

Q. Didn't you testify on direct testimony—I have my notes here—that it was due principally to a lack of familiarity with the geography of the other carrier's territory?

Mr. SCHAFER. I am going to object to dragging this along. How does the witness know that the men who made the mistake weren't sleepy, in love, drunk?

Mr. HICKSON. "Drunk." That might be a possibility. That may be why some of them have gone astray.

1542 Chairman TERRIL. Let us not have any talk between counsel.

Mr. HICKSON. I want to develop this question in my own way.

Chairman TERRIL. Let us have the question again.

Mr. HICKSON. I asked the witness a very simple question.

Chairman TERRIL. Just a minute. I will have the reporter give us the question.

(The question referred to was read by the reporter as above recorded.)

A. Yes; as far as disadvantage No. 2 principally.

By Mr. HICKSON:

Q. Are you familiar, Mr. King, with Exhibit No. 1, the map published and distributed by the Consolidated Freightways, showing their entire system and all the connecting carriers in the territory served?

A. Yes, sir.

Q. You are quite familiar with that?

A. Yes.

Q. And I assume that that map is distributed among the employees of the Consolidated, is it not?

A. Yes, sir.

Q. And I also assume that it is distributed among your connecting carriers?

A. I presume so. I don't know.

1543 Q. Well, it would be a practical thing to do, would it not?

A. Yes.

Q. Will you look at that map and tell the Board here, if you will, please, any reason that occurs to you why an employee of the California-Nevada Fast Freight couldn't take that map and in two minutes' time familiarize himself with the geography of the connecting carrier?

A. In two minutes' time?

Q. Well, take five if you want to.

A. No. There are many points that we have traffic to that are not listed on the map. They can't be listed on the map. There isn't room enough.

Q. That shows about 2,200 points, does it not?

A. Those are the points where we have the most trouble.

Q. Let us take a shipment from San Francisco to the Coos Bay area. I assume that if there were any difficulty on that movement through misrouting or misbilling or loss or anything of that kind, it would occur on the San Francisco end, would it not?

A. As far as misrouting, you say?

Q. Yes.

A. Yes.

Q. Does any reason occur to you——

A. (Interrupting.) Well, no; not entirely. An error could occur at the junction point on our part.

1544 Q. Well, that billing would be done in San Francisco, would it not?

A. No; not a through bill at San Francisco.

Q. The shipment would originate in San Francisco and it would be billed to Coquille or Marshfield, would it not?

A. Yes.

Q. Do you mean to infer and give the impression to this Board that the employees of the California-Nevada Fast Freight don't know where Marshfield and Coquille or Myrtle Point are?

A. Yes. We have no trouble on the main points.

Q. You wouldn't have any trouble into that territory, would you?

A. No.

Q. It hasn't taken them ten years to learn the fact that Marshfield, Coquille, and Brandon are over in the Coos Bay area?

A. No.

Q. No; Mr. King, I understand that you have been an agent at some other points with the Consolidated?

A. Yes, sir.

Q. Now, you had connecting carriers at those points, did you not?

A. Yes.

Q. That you exchanged freight with?

A. Yes, at one or two of the points.

1545 Q. Are we to understand here now at this hearing that you experienced the same difficulties at those points that you are experiencing now at Medford in a more or less degree?

A. I didn't experience as much trouble due to the fact that there wasn't the volume that we have at Medford.

Q. But at any place where you had a sufficient volume of traffic you would experience the 14 points?

A. I don't know what we might experience at other points. I know what we are experiencing at Medford.

Q. Well now, is it not reasonable to assume that you would have the same difficulties at other points that you have at Medford?

Mr. SCHAFER. I will stipulate that it is true—it is in evidence already two or three times—that they have the same trouble at all connecting points, only to a lesser degree; to save some time.

Mr. HICKSON. Don't get jumpy, Don!

By Mr. HICKSON:

Q. So then your answer—or your counsel's answer, rather—is that the same 14 difficulties are experienced at all points in a more or less degree that you have at Medford?

A. All the points, no; because we do not have the same problems at other points.

Q. What problems do you have at Medford that you don't have, for example, at Minneapolis?

A. Well, we have no through equipment in Minneapolis,
1546 no through billing.

Q. Well, eliminating the through billing at Minneapolis, you would have all the other difficulties, would you not, that you experience with the connecting carrier?

A. Yes; certainly.

Q. Well then, is it a fair statement, Mr. King, that these 14 difficulties we have been hearing about in this proceeding are difficulties that are experienced by all carriers where they interchange traffic?

A. I would say in most cases; yes.

Q. Yes.

A. From my own experience.

Q. Is it also true, Mr. King, that even in an operation carried on, conducted solely by one operator from the beginning to the end of the journey, you have occasions arise where there is misinformation as to equipment and other misinformation concerning shipments?

A. The intermediate point would not be concerned on a through movement.

Q. Didn't you have some difficulty last week where there were some trucks and trailers ordered out of Portland and the information came out that it was four, and when you got there you found that there were only three?

A. At Medford?

Q. I think it was Grants Pass.

1547 A. I don't know anything about that.

Q. You will admit, however, that that situation arises from time to time, will you not?

A. No; because no such information is passed on. It doesn't have to be.

Q. I don't care whether it is passed on or not. I am asking you now if it is not a fact that where one carrier handles the entire

movement, often times there is misinformation and mistakes made concerning equipment and billing and routing and all those things.

A. Oh, there are errors in rating.

Q. So generally, Mr. King, it is a fair summary of your testimony, is it not, that all of these difficulties that you experience in Medford are by reason of lack of care or diligence on the part of either Consolidated Freightways or California Fast Freight?

A. I would say, no.

Mr. SCHAFER. I am going to ask that the repetition be eliminated. In the first place, so far as I know, Mr. Hickson does not represent any client who is concerned with this interchange at Medford, and we have gone all over the same thing a couple of times already.

By Mr. HICKSON:

Q. On Point No. 14, Mr. King, can you believe that if freight were loaded on the wrong piece of equipment, can you think
1548 of any reason why that difficulty could not be eliminated by the use of a little more care on the part of the carriers?

Mr. SCHAFER. That is objected to upon the ground it is repetitious.

Chairman TERRIL. Well, if I had ruled out of this hearing every question and answer that was repetitious we would have a record of about a hundred or so pages.

Mr. HICKSON. Did I get an answer to my question?

Chairman TERRIL. Let us have an answer to the question.

A. As I say, I am not familiar with what causes all the causes of these errors at San Francisco.

By Mr. HICKSON:

Q. That is not the question. The question is, couldn't that difficulty be eliminated by the use of more care and diligence and better management and better supervision?

A. I don't know, I am sure, whether it could or not.

Q. You don't know. And the same thing would be true on the question of giving inaccurate information concerning equipment in tonnage?

A. Yes; the same answer. I don't know whether it could be or not.

Q. Have you ever taken the pains to find out?

A. It is not my work. I have my problem at Medford.

Chairman TERRIL. Are you through, Mr. Hickson?

Mr. HICKSON. Just a moment.
1549 I think that is all.

Chairman TERRIL. I have one question I wish to ask of the witness, if I may.

In your experience at Medford would you say that the delay on interchange at Medford is proportionately as long on the south-bound movement as that of the north-bound?

The WITNESS. No. It is not as long due to the fact that we don't have the tonnage.

Chairman TERRIL. I said "proportionately."

The WITNESS. No There isn't the delays on south-bound—as much delay proportionately as there is on north-bound.

Chairman TERRIL. Can you briefly say what is the reason for the difference in the proportion of delay?

The WITNESS. The problems on south-bound traffic are a little different than they are on the north. For example, no advice is necessary as to amount of equipment required south, except in certain instances.

Chairman TERRIL. Would you be able to estimate the difference in percentage of the delay on the north- and the south-bound movement?

The WITNESS. No; I'm afraid I couldn't.

Mr. ELLIS. I have one more question.

Mr. SCHAFER. Just on that very point, taking rebilling, I believe you stated here that the shipments south-bound were larger
1550 and there are fewer shipments. Does that have any effect upon the difference?

The WITNESS. Oh, yes; much.

Mr. SCHAFER. That means fewer bills?

The WITNESS. It means fewer bills, naturally.

By Mr. ELLIS:

Q. Do you maintain any mechanics or servicemen at Medford?

A. Yes. We have a mechanic that is on duty.

Q. Do they perform any work on these through trailers that go through from San Francisco to Portland, or vice versa?

Mr. SCHAFER. That is already in evidence.

A. I believe I explained that.

By Mr. ELLIS:

Q. Well, in the event of a through operation by Consolidated there would still be a necessity for servicing that through equipment at Medford and rendering certain mechanical repairs, just as you do today on the interchanged trailers, would there not?

A. I don't know what the problem would be then, what would be done. I know what is being done now, but I don't know what would happen on a through movement.

Q. Do you know any reason why you would not require the same servicing of equipment operated through Medford from San Francisco as you require at the present time on the trailer equipment

operated jointly, or even more servicing and repairs because of the use of powered equipment?

1551 A. We maintain this man at Medford to take care of our equipment that operates in and out. We do not do any work in connection with Oregon-California Fast Freight equipment.

Q. Well, you know that you do not operate any equipment as much as six or seven hundred miles without stopping at terminal points en route for servicing of some kind?

A. I don't know, I am sure, what is being done. I know what is being done at Medford.

Q. And there are stops for servicing at the present time on equipment that operates through from Medford to San Francisco?

A. Are you talking about trucks or trailers?

Mr. ELLIS. Trailers.

Mr. SCHAFER. Is that regular servicing you are talking about or repairs?

Mr. ELLIS. Regular servicing and incidental repairs.

The WITNESS. I don't know anything about any servicing. We do whatever repairs might be necessary on our equipment at Medford.

By Mr. ELLIS:

Q. And yet you have been at Medford since 1932 intermittently and you don't know anything about what servicing is performed by your company?

A. At Medford?

Q. On this through equipment at Medford.

A. If it happens to be our own through trailer we will do the work on our through trailer, if it needs repairs.

1552 Q. And if it does require servicing and incidental repairs at Medford?

A. Not servicing; repairs.

Mr. ELLIS. That is all.

Redirect examination by Mr. SCHAFER:

Q. Where is the servicing done?

A. It is done in the main shops.

Q. If a truck and trailer comes out of Portland from Medford does it return to Portland before servicing?

A. Certainly.

Q. And would it go through without servicing at Medford if it came from San Francisco?

A. Absolutely.

Mr. SCHAFER. Do you have some more?

Re-cross-examination by Mr. FARRENS:

Q. If you receive at Medford an O. N. C. north-bound trailer which is moving into through service and something happens to it at Eugene, say, what do you do about repairs?

A. We attempt to make repairs on other line's equipment.

Mr. SCHAFER. That is already testified to.

The WITNESS. Yes, it has.

Redirect examination by Mr. SCHAFER:

Q. Is a destination of a kind like Drain a rater experi-
1553 enced to check rates and correct errors and do such things as that?

A. Not in smaller agencies.

Q. Take an instance where a mistake was discovered at Medford, say, on a shipment originating in San Francisco and destined to Ritzville, Washington, is there a possibility of that shipment being delivered to the consignee without the error being caught?

A. That's right.

Q. Are the raters which you employ at Medford quite experienced in checking and rating?

A. Yes, sir.

Chairman TERRIL. We will take a short recess.

(Thereupon a short recess was taken after which proceedings were resumed as follows:)

Chairman TERRIL. Off the record.

(Remarks outside the record.)

Chairman TERRIL. You may be excused temporarily, Mr. King.

(Witness temporarily excused.)

Mr. SCHAFER. I will call Mr. Langfield.

ALVIN LANGFIELD was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Alvin Langfield?

A. That's right.

1554 Q. And you are president of the Frozen Food Distributors, Inc., of 51 Webster Street, Oakland, California?

A. Yes.

Q. And you are also chairman of the Frozen Foods Institute of California?

A. Right.

Q. Are you familiar with the problems of distribution and the problems of the distributors of frozen foods?

A. Yes.

Q. From what points in the northwest do you ship in your own business, not that of the Institute?

A. Principally from Tacoma and smaller quantities from Portland and Salem.

Q. Where does most of that come from?

A. Oh, about 90 percent of our total volume would originate in Tacoma.

Q. What is that volume? How much of a volume do you have?

A. The past year that has been around 200,000 pounds, and with contracts that we already have it would be a minimum of 500,000 pounds for the year ending a year from now.

Q. And are you authorized to speak for any other frozen food distributor here?

A. I am authorized to speak directly for one of our competitors in Oakland, Mr. Ernest Ferguson, whose volume is approx-
1555 imately the same as ours, and also for the Institute as a whole.

Q. And what would be the volume of the Institute as a whole?

A. That, including our own and that of our competitor, Mr. Ferguson, would be approximately two and a half million pounds in the coming year.

Q. Is that for all of California or just——

A. (Interrupting.) No. That is for northern California, principally the Bay Region area within approximately 100 miles of here.

Chairman TERRIL. And originating in the northwest?

The WITNESS. And originating in the northwest at various points: Seattle, Tacoma, Mt. Vernon, Wenatchee, and various other points.

By Mr. SCHAFER:

Q. Are you familiar with the transportation services presently available to you?

A. Yes, sir.

Q. Have you had any difficulties?

A. Quite a bit.

Q. Can you enumerate some of those difficulties?

A. Well, I will enumerate—I might say, first, can I answer in general?

Q. Any way you can.

A. And then I would like to be specific. In general we are confronted with this: We have two different ways of shipping, either by rail or by truck. If we ship by truck we have
1556 to ship in carload lots to get the minimum freight rates. That necessitates bringing in volumes of shipments larger than we would prefer to have at most times. If we ship by truck the problem there is not being able to get it into a point of desti-

nation under proper refrigeration, and we have no idea of what the refrigeration has been along the road.

To be specific, just about a year ago in our business we had two shipments—I forget the number of points, but in dollars they were around $300 each one. The first came in totally defrosted. The second one came in partially defrosted. It happened at that time that we hadn't been in business very long and the packer had agreed to make the second shipment and take care of the adjustments.

Along about two or three months ago—that is, approximately eight or nine months after those shipments arrived—a representative of that trucking company called in to see me about what we could do about reselling the goods that had been in storage all that time, and the packer told me that he had considerable difficulty in getting an adjustment on it. Now, under the rules wherever we, as a shipper, have goods placed on a public carrier we are responsible after that. And speaking for myself and also the other members of the Frosted Foods business we can't be bothered with long-drawn out claims of shipments that come in when they are not in proper condition.

I might digress, if I may, for a moment on one of the
1557 reasons why we have to have this.

Chairman TERRIL. Somebody will object if it is not proper, so go ahead.

A. (Continuing.) The frozen food industry is based entirely upon one simple fact in physics, and that is that when you freeze slowly you freeze a large crystal of ice within an individual cell of any product you are freezing. When you freeze fast you freeze a crystal of ice that is smaller than the cell. That is the basis of the business.

These products are properly frozen by the packers. If in transit or any time before they get to the consumer they are partially defrosted, nobody except a packer could refreeze them in quick time; that is, a matter of ten, fifteen, twenty minutes. In other words, you can't refreeze those things quickly. You would have to refreeze them slowly. So if they get in an ordinary cold storage house they are refreezed slowly and you refreeze a crystal of ice that is larger than a cell, and we don't have a frozen product, we have a cold storage product and it isn't proper for redistribution or sale after that. If along the road anywhere the temperature arises and stays up to, say, thirty or forty degrees for a matter of even a couple of hours, the product is not a quick frozen product as we should sell it when it gets to the consumer. See?

By Mr. SCHAFER:

Q. Now, have you——

1558 A. (Interrupting.) In other words, we have to have at all times a constant, low temperature. And by "low" we mean not over five degrees above zero, from the time it leaves the packer's warehouse until the time that we take it out to the consumer.

Q. Is this a comparatively new business, this frozen food industry?

A. Well, it is fairly new in this area. It goes back about ten or twelve years nationally.

Q. Is it a growing business in this area?

A. In this area?

Q. Yes.

A. It is growing at the rate of about a hundred percent a year here.

Q. You stated your needs in a transportation way, but in what way have you had experience with existing services?

A. Oh, yes.

Q. Do you know, for instance, of Colletti?

A. Yes.

Q. Have you done business with him?

A. Yes.

Q. Has his service been satisfactory?

A. That is rather difficult to answer "yes" or "no." We have had numerous small shipments, and in our own business we

1559 don't always see those shipments as they come in because we are not at the warehouse. We have had specific ones by other transportation companies that I definitely know of that were not satisfactory.

Q. What were those?

A. That was Seattle-Los Angeles, and Pacific Refrigerated Motor Truck.

Q. You mean Los Angeles-Seattle Motor Truck?

A. Los Angeles-Seattle Motor Truck.

Q. You say their service has not been adequate?

A. No.

Q. Have you had Pierce Auto Freight?

A. Not to my knowledge.

Q. Would you rather receive these shipments in smaller quantities than carloads?

A. Yes, we would; because in modern merchandising and distribution we have to get the maximum efficiency out of our capital. And we would much prefer to have shipments come in so that they would be adjusted to the smallest period of time with our sales. In

other words, we want to sell just about as fast as we can get the goods in.

Q. Are you able to conduct your business in the manner in which you wish with the service that is presently available to you?

A. Well, we have done it and we are able to do it, but we
1560 much prefer not to have to continue doing it.

Q. Would an improved daily refrigerator service, such as is proposed here, if it had equipment in dependable quantities so that you could always find it available be of any value and would that have any tendency to affect the growth of your business?

A. Yes; it would.

Q. In what way?

A. Because ours is wholly a selling business, not only our own but the members—all the rest of the members for whom I can speak. Our time, energy and capital and everything must be devoted to the selling end after we receive the goods. Now, if we can devote our time and energy entirely to that and not have to bother whether goods are coming in on time or whether they are co. ing in in proper condition or not, we can just constantly increase our volume of business easier and faster than if we have to worry about the transportation facilities along with our problems of selling. In other words, if we could free—we know that the goods are packed properly. If we also know that they are going to get here properly and on time and as they are ordered, then the rest of our time and energy could be devoted to selling.

Q. You understand, do you not, that there is no proposal here to match rail carload rates on less than carload quantities moving by truck? You don't expect a better rate than you are
1561 now getting?

A. Well, we would naturally like to get the best rates we can, but we know the smaller the shipments—on smaller shipments we are going to have to pay higher rates. We don't object to that.

Q. You can do business on the present rates?

A. But we—what we prefer to have and what we need is rapidity of transit in good condition by responsible carriers with a rate not too high over a carload rate.

Mr. SCHAFER. I see. You may cross.

Chairman TERRIL. Mr. Langfield, what did you say the volume was in the past year of all the frozen foods into this area, if you know?

The WITNESS. That I would have to guess at, Mr. Commissioner.

Chairman TERRIL. Well, can you make an approximation?

The WITNESS. Yes. I would say it was somewhere between a million and a million and a half pounds.

Chairman TERRIL. And of that volume could you say approximately how much moved by truck?

The WITNESS. Well, a very large portion of it. But I wouldn't be able to say how much.

Mr. SCHAFER. I would like to ask a couple more questions on direct.

By Mr. SCHAFER:

Q. As between storing the goods in the northwest while
1562 they are waiting for shipment and putting them into storage here, which represents your best interest?

A. They are both the same.

Q. Is the cost in both places the same?

A. The cost is identical in both places.

Q. With respect to this question just raised by the Chairman, did you say the volume last year was about a million and a half?

A. Yes. Now, there is one division of this that I do not speak for, and that is barreled goods, what is the old "cold-pack" business. I don't know, I understand it is very large. But that "very" means I am not qualified to say.

Q. Yours is all packaged goods?

A. Yes.

Q. And——

A. (Interrupting.) Packaged in tins. 30-pound tins is the highest thing that we ship.

Q. And your business does not include that cold-pack at all?

A. Our particular business does not, but some of the members of the Institute does.

Mr. SCHAFER. I see.

Chairman TERRIL. Mr. Langfield, have you made use of the joint service now afforded by Oregon-Nevada and Consolidated Freightways in the transportation of frozen foods?

The WITNESS. No; we ourselves have not.

Chairman TERRIL. Cross-examine.

1563 Cross-examination by Mr. ELLIS:

Q. From what point does the greatest portion of your traffic move?

A. Our own from Tacoma.

Q. And that consists of what?

A. That consists of fruits and vegetables packed in anywhere from 12-ounce containers to 30-pound containers.

Q. What other points do you have traffic moving from in the northwest?

A. In our own case?

Q. Yes.

A. Very small quantities from Salem and Portland. For the Institute generally the points of origination are places such as Mt. Vernon, Wenatchee, Seattle, Tacoma, and possibly two or three more that I am not familiar with.

Q. And do all of your shipments terminate in the San Francisco Bay area?

A. How far do you mean by an "area?" Some of them go to Sacramento. There are very small shipments that will go to Watsonville. The great bulk of them terminate in both San Francisco and Oakland.

Q. Where is Watsonville located with respect to San Francisco?

A. About 80 miles south.

Q. On your traffic originating at Tacoma at the present time, over what lines are you shipping?

1564 A. Well, we have shipped over Seattle—what is that? Los Angeles-Seattle Fast Freight?

Mr. FARRENS. Motor Express.

A. (Continuing.) Motor Express, and over the Pacific Refrigerated Motors, and the railroads.

By Mr. ELLIS:

Q. What was the difficulty that you encountered in connection with the Los Angeles-Seattle Motor Express?

A. Well, the principal difficulty was that trucks would come in here that—there were two points. One of them is that we never had a shipment come in under proper refrigeration. The temperature would be anywhere from 20 to 40 degrees by the time they go into the storage house in Oakland. The other point is that a shipment would come down here and part of it would be taken off at a cold storage plant in San Francisco and maybe three or four days later it would come over to Oakland. We had no idea of where the goods were in the meantime.

Q. What temperature do your shipments require?

A. They require not over 5 degrees above zero from point of leaving to point of destination all the way along the line. They cannot rise beyond that anywhere.

Q. On these shipments that you sent by way of Los Angeles-Seattle Motor Express did you route the shipment yourself or were they routed by the shipper up in the northwest?

A. No. All that we did was instruct the packer to send us so much goods, and he would send them out on whatever facili-

1565 ties were available.

Q. Did they move direct under the routing of the packer direct to his own storage facilities at Oakland?

A. The packer has no storage facilities at Oakland. They go into a public warehouse.

Q. Into a public warehouse in which he has leased space?

A. No. They go to the distributor as the consignee. The distributor owns the goods.

Q. They were your goods at the time they were shipped?

A. Yes.

Mr. SCHAFER. The answer is yes?

The WITNESS. Are you speaking of the shipment that was made here that I objected to?

By Mr. ELLIS:

Q. Yes.

A. Those technically were our goods at the time that they left the packer's warehouse.

Q. And did you give any direction to the packer or the Los Angeles-Seattle Motor Express as to where those shipments were to be delivered on arrival?

A. Why, yes. They are consigned to our company at the Haslett Warehouse in Oakland.

Q. Do you maintain regular lease space in that warehouse?

A. No; we simply use public storehouse.

Q. You have arrangements with that warehouse to receive your goods and to keep it under refrigeration?

1566 A. Oh, yes.

Q. Wasn't it the neglect of that warehouse to inform you of the storage?

A. Those goods are taken right into the platform and put right into cold storage and they have no delay whatever.

Q. Where were these shipments of two or three days of delay that you mentioned?

A. They were in a cold storage house somewhere in San Francisco.

Q. The warehouse where you had leased space?

A. No; we had no space in them. We don't do any business in San Francisco. In other words, they came down as part of another shipment and the goods were consigned partially to a warehouse in San Francisco and the balance to us in Oakland. Instead of being delivered to Oakland they were delivered to a warehouse in San Francisco.

Q. Well, that was actually the error or neglect of your shipper rather than that of the carrier?

A. Not at all. Not at all. The shipper consigned those goods to us at the Haslett Warehouse at Oakland.

Q. Isn't it a fact that where you are shipping in small quantities it is common practice of the shipper to combine two or three small lots intended eventually for two or three different consignees in order to obtain the benefit of the lower quantity rates?

1567 A. Well, we never got the benefit of a lower quantity rate.

Q. Is it not a fact that your shippers frequently do that?

A. They do that when they can all be consigned to one place. For example, if our packer in Tacoma were sending twenty-five thousand pounds of goods, let's say, to ourselves and one or more buyers in Oakland, he might consign these all to the Haslett Warehouse and get a lower freight rate, and the shipments be broken up and billed by the warehouse after they arrive. That is done sometimes.

Q. Well, may that not in fact be the explanation of the difficulty which you encountered on this particular shipment?

A. No; that was not the explanation because this small quantity of goods was consigned directly to us at that warehouse.

Q. What is the average weight of your shipments?

A. Well, I don't know that I can say what an "average" is. I could say what we would like to have.

Q. What would you like to have?

A. What we would like to have is shipments ranging from ten to twenty-five thousand pounds, depending upon the season of the year when those goods are moving out in the largest quantities or smallest quantities.

Q. Do you ever have occasion to ship in less than ten thousand-pound lots?

A. Yes. Once in a while we might run out of goods unexpectedly and would have to get a very small shipment.

1568 Q. Have you ever offered a shipment over ten thousand pounds to Los Angeles-Seattle Motor Express?

A. I don't know whether we have or not; not recently. If we have, it has been many months back.

Q. Is it not a fact that whenever you get shipments in excess of ten thousand pounds that you arrange to move those shipments with other traffic and ship in carload lots?

A. Well, we have tried to do that, but the difficulty there is we have to have goods to deliver to our customers at certain times. Now, if another shipper doesn't happen to need goods at that time, he is not interested in pooling. I have actually tried that and it doesn't work.

Q. With respect to your shipments from Salem and Portland, what service have you used?

A. That was a very small shipment that I had a while back and I don't remember what service it was.

Q. Have you ever had occasion to try the joint through refrigerated service of the Consolidated Freightways and the Oregon-Nevada-California Fast Freight?

A. No.

Q. Were you aware of the fact that such a service was available between Portland and San Francisco at the present time in through trailer equipment?

A. No. I didn't know that service was in existence.

Q. Would a through trailer, refrigerated trailer service
1569 of that type reasonably meet your needs as far as traffic to Portland is concerned?

A. Do you mean of a dual type? You mean one carrier picking up one place and another carrier another?

Q. No. One carrier operating with through trailers, Portland to Medford, turning that trailer over to a connecting carrier who would bring it direct in to San Francisco without any interchange of lading.

A. The difficulty is simply this: As I mentioned a while back, we don't want to be concerned any more than is absolutely necessary with transportation. We want to be able to deal with a carrier that will pick these goods up at Seattle, Tacoma, wherever the point of origin is, and one carrier brings those all the way through; stop in Portland, Salem or wherever else it may be necessary to pick them up. But wherever we have occasion for a claim arising we don't want to be concerned with two different carriers, you see. What we want is responsibility. We want a responsible carrier or more than one. We don't care what it is. We want the goods to come all the way through in good condition at reasonable rates, and that's all that we want.

Q. Have you been getting that in the past so far as your rail shipments are concerned?

A. Yes; we have. But the difficulty is that we have to bring in
1570 too much at a time and it ties up money in freight bills and too much money in goods at one time.

Q. You haven't experienced any serious difficulty on your rail shipments by reason of the fact that your shipment moved over more than one line?

A. Do you mean now in regard to refrigeration?

Q. Your shipments out of Tacoma.

A. No. As far as refrigeration goes, it is all right.

Q. The service has been all right?

A. The service has been all right with that one exception: That it does require too much money tied up.

Q. Were you ever conscious of the fact that those shipments were moving over more than one line?

A. Why, yes. We directed it.

Q. You knew?

A. Yes. We know that the Southern Pacific doesn't go beyond Portland.

Mr. FARRENS. Will you pardon me, Mr. Ellis?

By Mr. FARRENS:

Q. The fact that that is a joint line service between Southern Pacific Company and Union Pacific or Northern Pacific or Great Northern is not any detriment to the service that you get from those railroads?

A. No.

Mr. ELLIS. I have nothing more.

By Mr. FARRENS:

Q. Mr. Langfield, I was very interested in your remarks
1571 about the remarkable growth of this industry. Would you expect your distribution down here to expand in territory?

A. Yes.

Q. For example, if you have a few shipments to Watsonville now, are you logically expecting that as this new business grows that you will have more numerous shipments to Watsonville?

A. Well, I would answer that by saying that you could go to almost any town in California today and find frozen foods sold somewhere. Now, the business is expanding. Nationally it has expanded since 1934 at about the rate of 60 percent a year and it is gradually going down into smaller towns.

Q. How far south would you expect to distribute?

A. Ourselves?

Q. Yes.

A. We don't go beyond San Jose.

Board Member BROWN. Watsonville is beyond San Jose.

The WITNESS. Well, we don't ship down there, ourselves I mean. There are small distributors in those territories who have to get their goods in somewhere.

By Mr. FARRENS:

Q. Is this business growing in Los Angeles as well as in San Francisco?

A. My understanding is that the growth there is approximately the same as here.

Q. Would Los Angeles distributors doing the same busi-
1572 ness that you do in the Bay district here have the same need for a through refrigerated service that you have here at San Francisco?

A. I would say that they would.

Q. So that if the Interstate Commerce Commission follows your line of reasoning there would be just as much reason for extending the line of Consolidated Freightways from San Francisco to Los Angeles as there is for extending it from Medford to San Francisco?

Mr. SCHAFER. That is objected to. The line of reasoning is that the present service into San Francisco is inadequate and, certainly, if the Commission finds that the same situation at Los Angeles exists and there is an applicant seeking to get in there, the reasoning would apply.

Chairman TERRIL. The objection is overruled.

Board Member BROWN. You can answer the question.

Chairman TERRIL. Can you answer the question or do you know what it was?

A. Well, my answer would be that we know what we need here. As opinion, I would say that they need the same thing in the south.

By Mr. FARRENS:

Q. Southern Pacific Company in connection with the carriers north of Portland has endeavored in the past to accumulate in Seattle and Tacoma, or either of those places, sufficient l. c. l.
1573 lading so that they can operate a through car to San Francisco.

A. Yes; I am familiar with that.

Q. You knew about that, did you?

A. Yes.

Q. Do you think that with the growth which you are expecting in this particular line of business that we can anticipate in the future that we are really going to be able to operate that car with some frequency?

A. Well, I would say if they expect to operate that car with frequency they have to keep it on. If you want the experience that we had with that I wouldn't mind telling you.

Q. You would agree with me——

Mr. SCHAFER (interrupting). Let the witness finish his answer here.

By Mr. FARRENS:

Q. You would agree with me that the two things work together: That is, if we are going to get the business we have to keep on the service, but on the other hand if we are going to keep on the service we have got to get the business. That is actually true, is it not?

A. Perhaps it is.

Q. What I am seriously interested in is, is it your experience that the growth of this business is such that we may expect in the future sufficient traffic to enable us to keep that car on with regularity?

A. I would say that we are going to have a very large
1574 growth of business and that, as distributors and shippers, we will use the best facilities that are available at the most

reasonable price. By "best" I mean adequate service, financial responsibility of the carrier and the time of shipments so that we can tell when we want a shipment to leave Seattle or Tacoma at a certain time and arrive here at a certain time we know that it is going to do it.

Q. If that car were operated regularly, is the price all right for transportation? Is it satisfactory as compared with other modes of transportation?

A. I will answer that in this way: Your rate, as I understand it, was raised the other day to $1.11 a hundred.

Q. I don't know.

A. Well, it has been $1.02 l. c. l. If it left on a definite schedule, I think, from Seattle and stopped the next day at Tacoma, as you originally had it; if we could get that same facility at a lower rate by any other carrier, we would do it.

Q. With the same service?

A. Yes.

Q. But what I am getting at is this: Do you have any other carrier who affords you a lower rate than this $1.02 rate from Tacoma to San Francisco which is available on this type of shipment l. c. l. by rail?

A. Now, wait a minute. I don't know what the rate on ten thousand pounds is right offhand by truck.

1575 Q. But it is lower than $1.02, is it not?

A. I don't think it is. Twenty thousand pounds is.

Q. Do you feel that you have investigated the trucking field sufficiently to know all of the refrigerated service that would be available to you from Tacoma, Portland, and Salem to San Francisco Bay points?

A. Well, I only know the one that we have used. I haven't taken the trouble to go out and investigate every carrier and see just what he has, no.

Q. How did you happen to come here to testify at this hearing?

A. This matter has been up before the executive committee of the Frosted Foods Institute for the last four or five meetings we have had. We are all concerned with it, and this morning I came into my office and our other man over there, Mr. Ferguson, told me that he had heard that this meeting was on and I happened to have a little time to come over. And I thought this is the time we should come over and present it.

Q. What representations did the applicant in this case make to you as to what they would be able to offer if their application is granted?

A. That they would be able to put on a service that would leave at a certain time; it would be a complete, through service; and that it would come under proper refrigeration.

Q. And they neglected to tell you that they and their connecting carrier, the Oregon-Nevada-California Fast Freight, were
1576 now furnishing through service between Tacoma and San Francisco Bay points?

A. Well, I would like to make that point over again. It isn't the matter solely of through service that we want. We want good service. But we do object to its being put on two or three different lines simply because of the matter of financial responsibility and placing the blame if we have any difficulty.

Q. Then this through service, if it does involve proper refrigeration, would be satisfactory to you except as to the matter of settling claims, is that correct?

A. Providing it stays in good condition and arrives in good condition.

Q. Not having tried it you don't know whether the refrigeration would be satisfactory?

A. No. But I am not going to try it until I know that it is satisfactory.

Q. Well then, you wouldn't try this new operation either until you knew it was satisfactory?

A. I would try it on a small shipment and I would test the temperatures when it came in and I would look at the equipment, and if it was all right I would use it on larger shipments, and finally I would use it altogether if it was all right.

Q. By the same reasoning could you be induced to try
1577 this refrigeration service that is now being operated by this carrier and its connecting carrier to see whether or not their refrigeration and regularity of operation is satisfactory?

A. Is anybody——

Board Member BROWN (interrupting). Can you answer the question?

The WITNESS. What?

Board Member BROWN. Can you answer the question?

The WITNESS. I would hate to answer it "yes" or "no" unless I have to. If I have to answer it "yes" or "no" I will answer "no."

Board Member BROWN. You can make what explanation you wish to afterwards.

A. (Continuing.) I don't know of any truck carrier today that has the adequate refrigeration that we can positively depend upon.

By Mr. FARRENS:

Q. If I were to tell you that this applicant has proposed in this case to this Commission to furnish the through service with precisely the same equipment which it now possesses, how would you regard their service?

A. If it gets here in good shape, that is all we are interested in.

Q. What I am thinking about is that your answer to me was that you did not know of any carrier today who had the equipment.

A. That's right.

1578 Q. And your includes this applicant. As far as you know this applicant hasn't the equipment?

A. That's right.

Q. And if he doesn't propose to add new equipment but proposes to operate with that which he now has, you would be no better off by reason of this new operation, would you?

A. Unless the equipment is what it is supposed to be.

Mr. FARRENS. That is all. Just a second. That is all, thank you.

Redirect examination by Mr. SCHAFER:

Q. Can the rails give you less than carload service at five degrees?

A. They have done it, yes.

Q. And how often does that service operate less than carload?

A. There is no regular schedule that I know of.

Q. What is the minimum weight which they require for a carload of refrigerated commodities?

A. 40,000 pounds.

Mr. FARRENS. Just a moment.

By Mr. SCHAFER:

Q. "40,000 pounds" is the answer?

A. For a carload rate.

Mr. FARRENS. I don't object to the witness answering questions about the rates so long as they are certain, but the best evi-

1579 dence is the tariff. I specifically avoided making any comparison of truck and freight rates, even though the tariffs were brought over here by Mr. Ellis during my cross-examination, just for that reason; That I did not think it either fair or proper questioning.

Mr. SCHAFER. Now, there were no words said here about "rates."

Board Member BROWN. There was no objection made.

Mr. FARRENS. Yes. I made the objection, Mr. Brown. But counsel forced witness into an answer while I was objecting.

Mr. SCHAFER. The witness testified that the minimum weight was 40,000 pounds. W-e-i-g-h-t. Nobody has mentioned "rate."

Mr. FARRENS. That is still a matter of rates.

Mr. SCHAFER. That is not. It is a matter of how much freight he has to get together before he can get a car.

Chairman TERRIL. The question has been answered.

By Mr. SCHAFER:

Q. Do you have daily refrigerator car service by rail?

A. What is that?

Q. Do you have daily refrigerator car service by rail?
A. Do we have it?
Q. Yes.
A. Not to my knowledge.

Q. I see. Does the growth of this business in any way
1580 benefit the growers of the fruits and vegetables and so forth in the northwest?

A. I should think that it would. The more that is sold the more he can grow.

Mr. SCHAFER. That is all. Thank you very much.

(Witness excused.)

Chairman TERRIL. We will adjourn at this time until 2:00 o'clock.

(Whereupon, at 12:40 p. m., adjourned until 2:00 p. m.)

1581 AFTERNOON SESSION—2:00 P. M.

Chairman TERRIL. Come to order, gentlemen.

Mr. SCHAFER. If there is no objection, I would like to call Mr. Stearns at this time, who is here from out of town and has a plane to make this afternoon back north.

Chairman TERRIL. I haven't any objection.

Does anyone have any objection to putting on another shipper witness in the interim before the other witness returns to the stand? (No response.)

Is there any objection to Mr. Schafer putting on Mr. Stearns, a shipper witness here, before the redirect and recross of the previous witness? (No response.)

Very well.

H. I. STEARNS was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is H. I. Stearns?
A. Stearns; yes.
Q. And you have the Stearns Cattle Company of Prineville, Oregon?
A. Yes, I am a member of that company.
Q. And will you describe the operations or scope of the operations of that Cattle Company?

A. Well, we have ranches in and around Prineville. We
1582 run cattle, also buy cattle. We feed quite a number of cattle for market; fatten them out for market. We ship around 50 cars of cattle a year.

Q. Do you ship to San Francisco?
A. Yes; San Francisco.
Q. Why do you ship to San Francisco?

A. Well, we ship—we find that on the heavier classes of cattle that we feed that are marketed, our market is a little better in San Francisco than it is in Portland and Seattle. That is the reason why we ship the heavier cattle to San Francisco.

Q. You mean you get a better price for your heavy cattle?

A. Yes sir.

Q. And how do you ship at the present time?

A. By rail.

Q. And has that method of shipping been satisfactory to San Francisco?

A. No; it has not, in that it takes too long from the time we load out until we can get to the market.

Q. How long does it ordinarily take to get cattle to the market by rail from your ranches?

A. We load out usually Thursday morning for Monday morning's market, but, of course, we arrive in San Francisco Sunday morning and that gives 24 hours for feed and rest before the cattle enter the market on Monday morning, and then we have a
1583 stop-over in Klamath Falls of usually 24 hours, but that takes around—well, the complete operation is from Thursday morning until Sunday morning.

Q. I see. And for what reason is this delay objectionable to you?

A. Well, fat cattle are really what you might term a perishable commodity. After they leave the feed lots, why, there is a shrink on them from that time until they are sold and the quicker we can get them to market, why, the less shrink we have to take.

Q. Have you ever tried to remedy the situation and get faster service to San Francisco?

A. Yes; which seems to be impossible with the exception of special trains. If there is enough stock to make up a special cattle train, why, you can get much faster service, but that is very seldom that that happens.

Q. Do you have any other service to San Francisco on your cattle besides rail?

A. No; not at the present to my knowledge.

Q. You have no truck service at all?

A. Not to my knowledge.

Q. You understand that Consolidated is here proposing a through service by extending its line from Klamath Falls and it proposes to make available to you a schedule which will, say,
1584 leaving at noon today would be available in San Francisco the next morning? Is that your understanding?

A. That is my understanding, around 22 hours' service is my understanding.

Q. If the right to give this service is given to Consolidated Freightways, would it be of any benefit to your company?

A. Yes; very definitely because of the fact that we can ship into San Francisco in 22 hours where it take approximately 3 days by rail.

Q. Do you know anything of the road conditions between your country up there, Prineville, and San Francisco? Have you driven that road?

A. Yes; I have. I think the road conditions are very good all the way through with the possible exception of the road from Weed South, for a short distance through there. That is the worst part of the road; is in there in that mountainous country.

Q. Do you have any objection to transporting the cattle to market by truck?

A. No; I have not.

Q. Do you find that they are as well handled by truck as they are by rail?

A. I believe they are; that has been our experience.

Q. Now, do you know whether other states and communities of comparable distance now reach San Francisco by truck such as Idaho and points in Nevada and such points as that? Do
1585 you have any knowledge of that?

A. Well, it is my understanding that cattle out of southeastern——

Mr. FARRENS (interrupting). Will you pardon me, Mr. Stearns? I object to this evidence as hearsay evidence unless the witness is shown to have made shipments within his own knowledge.

The WITNESS. No; I haven't at all. It is just purely hearsay.

By Mr. SCHAFER:

Q. In the course of your business do you have any occasion to know how your competitors' cattle are reaching the market and where your competitors are located?

The WITNESS. Will you repeat that again?

Mr. SCHAFER. Will you read that, please?

(The question referred to was read by the reporter as above recorded.)

A. No; I do not.

By Mr. SCHAFER:

Q. You don't know, then, whether any cattle are trucked in from other states to San Francisco?

A. Well, I know that——

Mr. FARRENS (interrupting). Just a minute, Mr. Stearns. Of your own knowledge, of your own knowledge?

The WITNESS. At a comparable distance, you say?

Mr. FARRENS. Yes; and if it is hearsay let's not have
1586 it; that is the point.

Mr. SCHAFER. Well, now, you let the Board instruct the witness.

Chairman TERRIL. The question was, do you know, Mr. Stearns?

Mr. FARRENS. Yes; I have no objection to that question. "Yes" or "no."

Chairman TERRIL. You can answer that "yes" or "no," whether you know or not.

The WITNESS. No; I would say I don't know.

By Mr. SCHAFER:

Q. Have you ever done business with Consolidated Freightways?

A. Yes; I have.

Q. Do you find them reliable?

A. Very much so.

Q. If this service were available to you, would you make use of it?

A. Yes; we would.

Q. What are your objections to shipping cattle in large lots by carloads to the San Francisco market?

A. You mean in several carloads at a time?

Q. Yes.

A. Well, because of the reason that it makes a congestion on the market if cattle are shipped in trainloads. You can get under 36 hours' service in trainloads, but it puts too
1587 many cattle on the market at one time.

Q. Is there any advantage in marketing your cattle in small numbers?

A. Yes; there is.

Q. What are some of those advantages?

A. Well, one of the main advantages is in feeding the cattle, you can go into your lots and top out the cattle that are ready to go, and in our operations every week or every two weeks, at the outside, we will go in and take out one car of the top end of the cattle and ship them that way, and by doing it we can market—keep marketing the top cattle out of the lots all the time.

Q. Why wouldn't it be just as well to keep the top cattle if you had a load?

A. A trainload?

Q. Yes.

A. Well, when they are ready to go, they are ready to go; there is no reason in holding them any longer than that. They fatten unevenly, of course, and, as they fatten, why, it is the time that you want to take them to market.

Mr. SCHAFER. I think that is all.

Exam. KEPHART. How many fat cattle can you get in an ordinary trailer?

The WITNESS. Well, around 20,000 pounds is what we
1588 would ship in the truck and trailer; I would say around, oh, 8,000 in the truck and 12,000 in the trailer probably.

Exam. KEPHART. How many cattle?

The WITNESS. That would be thousand-pound cattle, 12.

Exam. KEPHART. 12 cattle in the trailer and 12 in the truck?

The WITNESS. 8 in the truck.

Exam. KEPHART. 8 in the truck.

Chairman TERRIL. How many in the rail car?

The WITNESS. The minimum is 24,000; that would be 24 head, from 20—around 25 to 30 head.

Chairman TERRIL. Did you testify that you were using truck service for the shipment of your cattle to Portland and Seattle at the present time?

The WITNESS. Occasionally, but it is very seldom that we use truck service to Portland.

Chairman TERRIL. What is the reason for the difference, the demand for a truck service to the San Francisco market over the like condition to the Portland market, Puget Sound, Mr. Stearns?

The WITNESS. Well, the objection is on account of lack of diversion out of Portland. The cattle are sold in Portland, so many of the cattle, fat cattle, are sold to sound buyers, and there isn't diversion priviliges out of Portland to Seattle on trucked-in cattle

1589 By Mr. SCHAFER:

Q. At this point can you explain that diversion further? Do you mean by that that there is a rate in effect by rail which permits them to divert to Seattle for a small additional amount of money?

A. Yes; you pay local freight from Portland to Seattle; you have to pay local freight from Portland to Seattle on fat cattle.

Q. Whereas, if your cattle land at Portland and the price is better at Seattle, for a few cents additional you can divert them to Seattle; is that what you mean?

A. Yes, sir. In other words, you take the Seattle rate rather than the Portland rate from point of origin.

Chairman TERRIL. As far as the question of picking out your top steers and shipping them, that would obtain in relation to the Portland market as well as to the San Francisco market; would it not?

The WITNESS. Yes; it would.

By Mr. SCHAFER:

Q. Would you ship more cattle to San Francisco if you had a service such as proposed by Consolidated Freightways here?

A. We would; because our market in San Francisco is better on heavier cattle and there is less shrink involved due to the time that it takes to get them to San Francisco. We would ship more for that reason.

Chairman TERRIL. Anything further, Mr. Schafer?

1590 Mr. SCHAFER. No.

Chairman TERRIL. Cross-examine.

Cross-examination by Mr. ELLIS:

Q. Is there any market for livestock in the Puget Sound area?

A. A central market?

Q. Is there any market for livestock in the Pugent Sound area? I don't mean central market.

A. Yes; there is a market for livestock.

Q. Are you aware of the fact that Consolidated Freightways now has operating rights that will enable them to transport livestock from your territory direct to Seattle?

A. Most—practically all of our shipments are to the central market at Portland; the central market is located at Portland. The Seattle buyers buy in the Portland market. For that reason we ship to Portland and we don't ship right on to Seattle for that reason.

Q. You knew, however, that truck service of Consolidated Freightways was available to you between Prineville and Seattle?

A. No; I didn't.

Q. You didn't know that?

A. No.

Q. Have you ever used that truck service to ship your

1591 cattle from Prineville to Seattle?

A. No; I haven't.

Q. And what is the distance relatively to Seattle as compared to San Francisco from Prineville?

A. It is about 350 miles from Prineville to Seattle and around 600, I think, isn't it?, from Princeville to San Francisco.

Q. Do you know of your own knowledge of any direct movement of cattle from any Oregon point by a common carrier truck direct to the San Francisco market?

A. (No response.)

Chairman TERRIL. The question is, do you know, Mr. Stearns?

The WITNESS. No; I don't.

By Mr. ELLIS:

Q. Have you ever considered the question of providing your own transportation facilities from the ranch to San Francisco?

A. No; we haven't.

Q. Do you know whether or not there are livestock carriers in your area at the present time with equipment suitable for the transportation of livestock?

A. Not to my knowledge in our territory there aren't.

Q. Well, isn't livestock moved a great deal locally in equipment, truck equipment designed for that purpose over in your section of the country?

A. Yes; they are smaller trucks, however. It is what we
1592 call solo trucks that are used into the Portland market on less than carlots.

Q. Well, were you aware of the fact that such trucks, when used exclusively in the transportation of agricultural products, were exempt from regulation by the Interstate Commerce Commission under this certificate law and could handle your shipments direct to San Francisco?

A. No I was not.

Q. In what size lots do you ship or would you ship if you were shipping by truck to San Francisco?

A. In carlots as much as possible.

Q. You mean truck and trailer lots?

A. Yes; comparable with the carlot, around 20 to 24 thousand.

Q. Would that be year-around traffic or would it be largely at one season of the year?

A. Most of our fat cattle are shipped from the first of September until the first of April.

Q. And you would have little movement during the other months of the year?

A. We wouldn't have.

Mr. ELLIS. That is all.

Chairman TERRIL. Have you any idea, Mr. Stearns, or any estimate that you could make as to the number of loads or the tonnage that you might have available for movement into the San Francisco market during a year's time?

1593 The WITNESS. Well, assuming that we shipped our heavy cattle to San Francisco, I would say probably 20 cars out of the 50 cars would be the heavier end of the cattle that we would ship out.

Chairman TERRIL. You estimate that you would ship 50 cars during a year's time?

The WITNESS. Yes, sir.

Chairman TERRIL. Have you used trucks at all in the movement between central Oregon and Portland?

The WITNESS. Occasionally, not very often.

Chairman TERRIL. Is there a comparative difference in time through the use of truck and rail existing at the present time be-

tween central Oregon and Portland which would be comparative with that existing between central Oregon and San Francisco?

The WITNESS. All rail service to Portland is very good. We get overnight rail service on our stock into Portland and it takes a little longer, but not very much longer by rail than it would by truck.

Chairman TERRIL. You do not suffer the inconveniences, then, or even comparatively of the long distance, or the long time, rather, involved in the movement to San Francisco?

The WITNESS. No, we don't; we have very good service to Portland.

Chairman TERRIL. Any further cross-examination?

1594 By Mr. FARRENS:

Q. Mr. Stearns, what route do you use when you ship by rail from your Oregon points to San Francisco?

A. We start out by our little galloping goose railroad, City of Prineville to the Oregon trunk, and then Oregon trunk to Bend and Great Northern to Chemult, and then S. P. to San Francisco.

We have, of course, the Great Northern and Western Pacific, but our shipments all go S. P.

Q. Is that little railroad from Prineville to Bend something that needs to be continued in the public interest?

A. I am not in the position to say that.

Q. Well, do you know your territory well enough to know whether it is a convenience to have that little railroad in existence and serving the people?

A. Oh, yes; it is.

Q. Do you know anything about whether or not it is presently getting enough traffic to sustain it financially?

A. Yes; in the last year it has had quite an added increase in tonnage due to the lumber mills that have gone in there.

Q. Now, did you contemplate the shifting of all your cattle bound to San Francisco from rail to this truck service if it were inaugurated?

A. If we get 22 hours' service by truck the shrink will be so much less as against the service that we get now that we probably would ship cattle moving south by truck altogether.

1595 Q. Are there other large cattle growers and shippers in your vicinity who would ship their heavy cattle to San Francisco?

A. I feel sure there are.

Q. Is it your opinion that such other shippers would likewise cease to use the railroad service?

A. I see no reason why they wouldn't on account of the difference in the shrink in the cattle.

Q. Have you any notion how much of the traffic of your City of Prineville railroad consists of cattle?

A. No, I do not; I don't know.

Q. Is there a very substantial shipment of cattle over that railroad line?

A. Yes; there is quite a number of cattle shipped out of there.

Q. Would it be a substantial blow to that little railroad to lose its cattle shipments?

Mr. SCHAFER. Just a minute. I object. He has already said he doesn't know what percentage of their haul is cattle.

Mr. FARRENS. I didn't say "percentage." I asked him if it would be a financial blow to its standing.

Chairman TERRIL. Let the witness answer if he knows.

A. Well, it probably would be if much—however, it is much easier for them to carry on in view of the added tonnage they are getting from the lumber mills than it was before the mills went in when they were dependent upon the livestock business.

1596 By Mr. FARRENS:

Q. Their traffic presently consists of lumber and livestock?

A. Yes.

Q. Does this little railroad maintain corrals at the point of origin from which you ship?

A. Yes; they do.

Q. And that investment, if you and other shippers cease to use that little railroad, will become valueless?

A. Yes; it would.

Q. Now, has Southern Pacific Company acquired in the vicinity of Klamath Falls a very considerable quantity of real estate and constructed extensive corrals and feed yards for the handling of the cattle shipped south-bound?

A. They have facilities there for handling them and feeding.

Q. And feeding them also?

A. Yes, sir.

Q. And it has been their practice, when you have shipped less than train-load lots, to make these facilities for storing and feeding your cattle for a 24 hour period available to your use?

A. Yes.

Q. And does the railroad company furnish the labor to unload those cattle and to load them, or do the attendants that you send with the cars take care of that?

1597 A. The railroad company takes care of them.

Q. The railroad company furnishes the feed at Klamath Falls when that 24-hour stop is made?

A. Yes; charged to the shipper, of course.

Q. It is in the rate, isn't it?

A. No; it is an additional charge.

Q. It is an additional charge according to the amount furnished. Is the labor and all other portions of that stop-over in feeding included in the rate except the feed?

A. I wouldn't say; I know the price of feed, from the cost of it, probably, includes everything.

Q. Now, in arriving at your conclusion that you would ship by truck instead of rail if this application were granted, were you advised whether or not there would be a difference between the carload rail rate and the truckload rate?

A. There was nothing said as to rate. I assumed that the rates would be comparable.

Q. If the truckload rate was in excess of the carload rate would you have to balance the difference between the truckload rate and the carload rate against the loss by shrinkage and bruising?

A. Of course, if we would have the expedited service it would probably be worth the amount of shrinkage that is involved between the two.

Q. In the last analysis whether you would use this truck
1598 service at all if it were installed would depend upon whether any difference in the truck rate over the rail rate was more than the difference between shrinkage when traveling 22 hours by truck as compared with shrinkage traveling by rail?

A. One would have to offset the other. It is a matter of the cost of getting the stock to market.

Q. So that in the last analysis the aggregate of the rate plus shrinkage and damage costs on the one method of transportation would be balanced against the aggregate rate and damage cost by the other method of transportation and you would choose and use that system of transportation which brought about the latter aggregate?

A. Yes.

Q. Now, do your cattle which are shipped to San Francisco Bay points go to San Francisco proper or to South San Francisco?

A. South San Francisco.

Q. Did this applicant, in its discussion of its proposal with you, represent to you that it would be able to deliver your cattle at South San Francisco?

Mr. SCHAFER. If the Board please, this applicant now has the right to serve south San Francisco from other points on this line. South San Francisco is included in its present grandfather order.

Exam. KEPHART. Which applicant?

Mr. SCHAFER. Consolidated Freightways.

1599 Examiner KEPHART. You mean through the O. N. C.?

Mr. SCHAFER. No; on our present operations from Twin Falls into San Francisco.

Mr. FARRENS. Well, I would like to inquire, if the Board please, whether the applicant contends that its right to operate to San Francisco is in connection with the movement from some point in Idaho or in connection with its movement over the routes here involved?

Mr. SCHAFER. It is a question of law, of course, and I would have to look again at our application. I am not sure our application doesn't include South San Francisco, but——

Examiner KEPHART (interrupting). As I understand it, your present right is in connection with the line through Nevada.

Mr. SCHAFER. That is right; we presently serve South San Francisco.

By Mr. FARRENS:

Q. Now, in the absence of actual knowledge on that I would like to ask you a question or two.

Would delivery by this applicant to San Francisco proper be of any substantial aid to you if you had to unload your cattle there and find a connecting carrier or delivering carrier to deliver to South San Francisco.

A. No; it wouldn't. I just assume when we talk of San Francisco, why, we think of South San Francisco; of course, as far as the stock market is concerned.

1600 Q. Well, the applicability of your entire testimony is dependent upon the ability of this applicant to deliver to South San Francisco?

A. To South San Francisco to the central market.

Q. There isn't any central market in San Francisco proper, is there?

A. Yes—no; not in San Francisco to my knowledge.

Exam. KEPHART. Is South San Francisco within the city limits of the City of San Francisco?

Mr. HENNESSY. It is not.

Mr. FARRENS. I am advised it is not.

Mr. HENNESSY. A different county entirely.

Exam. KEPHART. In San Mateo county?

Mr. HENNESSY. In San Mateo county; yes.

Exam. KEPHART. A different municipality, then?

Mr. HENNESSY. Entirely; yes, sir.

Mr. SCHAFER. I might say our application covers South San Francisco, California, also Alameda, Martinez, Crockett, Sausalito, San Leandro and South San Francisco.

By Mr. FARRENS:

Q. Mr. Stearns, I assume that the amount of shrinking in transportation bears some relation to the length of time in transit?

A. Yes; it does.

Q. Bruising, however, arises not from length of time in
1601 transit, but from the method of handling the cattle, doesn't it?

A. Yes; I would say that was the case.

Q. From such small amount of experience as you have had transporting your cattle by truck, are you able to say whether bruising is greater in connection with truck transportation than in connection with rail transportation?

A. I would say in the last year or so that there isn't a great deal of difference in the larger trucks, handling livestock in the larger trucks as against handling them by rail. As it used to be, in the smaller trucks and the different road conditions, it made extensive bruising in livestock by truck, but I wouldn't say that that held true at the present time handling them in the larger trucks.

Q. Are you interested, if this application is granted, only in truckload lot shipments, or would you at times offer only truck or trailer lot shipments?

A. We would be interested just in truck—in carload lots or truck and trailer, what we call carload lots.

Q. You would not at any time offer shipments as small as a mere trailer lot?

A. We wouldn't; no.

Mr. FARRENS. If the Board please, before continuing this cross-examination I would like to be advised by applicant what character of equipment they have available and would use in connec-
1602 tion with this proposed transportation of these heavy cattle.

Mr. SCHAFER. It was fully covered in Portland even to the manner in which it was sterilized and washed at the end of the run. We stated there at Portland that we operate, for instance, daily livestock schedules west from Boise, Idaho, into Portland.

Mr. FARRENS. It is unnecessary—I asked merely——

Chairman TERRIL (interrupting). It is in the record.

Mr. FARRENS. I asked merely the type of equipment, not where they operated, and so forth. Van type or what?

Mr. SCHAFER. It is a van-type piece of equipment constructed for the use of livestock and that is what the testimony amounted to, as I recall it.

Examiner KEPHART. Is that same type of equipment used for ordinary package goods when you have no livestock?

Mr. SCHAFER. Yes; general commodities returning. It is a van-type of equipment especially constructed.

By Mr. FARRENS:

Q. Are you familiar with that van-type of equipment which counsel has just referred to, the same type in which general commodities are handled?

A. Yes; we have used it.

Q. Have your shipments usually been in the type of equipment that is commonly used in Oregon for handling truck shipments?

A. The open-type trucks, you mean?

Q. Yes.

1603 A. Most of the smaller trucks use the open-type equipment. In using the smaller trucks, why, we use that. However, we haven't found this type of equipment objectionable necessarily. The openings are made on the side of the trucks and trailers so that there is plenty of ventilation, and I wouldn't see a great deal of difference in the type of equipment.

Q. Have you had enough experience to enable you to judge whether the van type of equipment is going to prove entirely adequate for the shipment of your heavy cattle?

A. I would think so.

Q. You never yet have had the experience of using that equipment in a shipment from Prineville to San Francisco, have you?

A. No.

Q. Now, am I correct in assuming that shipments from your points of origin to Portland which are transported to Seattle are loaded and unloaded at Portland?

A. Yes; they are.

Q. Is that loading and unloading objectionable at Portland?

A. They are sold in Portland and then diverted on to Seattle.

Q. But I say: Is it objectionable from the standpoint of a cattle buyer or seller?

A. If they were sold I would say it is much better to go on to San Francisco without unloading, or to Seattle without

1604 unloading.

Q. Does that sometimes happen?

A. Very seldom.

Q. Now, do you know enough about this market here in South San Francisco to be able to tell us whether there is a similar demand for the transit of cattle from San Francisco to Los Angeles to the demand that exists for the transit of cattle from Portland to Seattle?

A. Well, all I could say would be the experience that we have had in shipping over several years and I would say that there wouldn't be one car in 50 that would be diverted out of San Francisco where there would be maybe one out of, oh, two or three would be diverted from Portland to Seattle.

Q. If you shipped by truck from Oregon to San Francisco would that rob you of your rate opportunity of making a transit of that shipment to Los Angeles?

A. I assume that it would be the same as in Portland.

Q. Is there any transiting of cattle from the San Francisco market to Fresno or Stockton or any of the points intermediate between Los Angeles and San Francisco?

A. I imagine there is quite a number of feeder cattle that are transited. The thinner end of the cattle that come to the yards probably would go on for feed.

Q. Well, how about the heavy cattle, do you suppose any of those were transited to the intermediate points?

1605 A. Probably so.

Q. Have you had the experience of having any of your cattle transited to points south of San Francisco?

A. Not to my knowledge.

Q. Well, would the cattle of the type you ship, if moved to San Francisco be likely to be transited to Sacramento, say?

A. Well, yes; probably some of them would.

Q. Well, the fact is, then, that whatever percentage of cattle that you might ship down to San Francisco which would be diverted from San Francisco to any other point would better move by train than by truck because of the transit privileges?

A. I understand there wouldn't be any transit privilege on them, the same as it would be in Portland.

Q. Now, are you aware presently that this applicant is operating from Portland through your territory to Klamath Falls and connecting at that point on a joint through rate basis, with Oregon-Nevada-California Fast Freight, which operates from Klamath Falls into San Francisco?

A. I understand that.

Mr. SCHAFER. Just a minute. Perhaps I can save a long sidetracking here because I am quite certain that Oregon-California doesn't have any livestock equipment to handle livestock.

Chairman TERRIL. Off the record just a minute.

1606 (Remarks outside the record.)

Mr. SCHAFER. There is no possibility of a connection on livestock between Consolidated and Oregon-California.

By Mr. FARRENS:

Q. Now, Mr. Stearns, in view of the fact that you would ship only truck and trailer lots, would it suit your convenience if truck and trailer loads were loaded by this applicant at your points of origin and turn over the equipment and load to the driver of Oregon-Nevada-California Fast Freight and have the operation, as far as the van part is concerned, operated from Klamath Falls to San Francisco by a driver of the Oregon-Nevada-California Fast Freight?

A. That the cattle would not be unloaded? I understand the cattle would not be unloaded and the equipment would go right through?

Q. That is right.

A. Well, as far as we are concerned, it is a matter of getting the stock through to San Francisco in the least amount of time involved in the same equipment.

Q. You wouldn't be concerned whether that——

A. (Interrupting). Not if the cattle went through in the shape they should go in, handled by Consolidated right on through, there would be no objection on the part of the shipper.

Mr. FARRENS. I think that is all.

1607 Redirect examination by Mr. SCHAFER:

Q. Would this additional charge for feeding during the period when forced to lay the cattle over be eliminated if you had a 22-hour truck service?

A. Yes, sir; it would be.

Q. It would be an additional savings?

A. Yes.

Mr. SCHAFER. That is all.

Re-cross-examination by Mr. FARRENS:

Q. You have got to feed them up to the time you sell them anyhow?

A. Until we sell them.

Mr. FARRENS. That is all.

Chairman TERRIL. Anything further?

Mr. SCHAFER. No; I have nothing further from this witness.

(Witness excused.)

Mr. SCHAFER. Mr. King is our employee; we can make demands on his time.

I wonder if there is any objection to more shipper witnesses while we are waiting here?

Mr. FARRENS. No objection.

Exam. KEPHART. If there is no objection, go ahead, Mr. Schafer.

1608 Mr. SCHAFER. I will call Mr. Quinn.

Chairman TERRIL. Mr. Farrens, for the benefit of Mr. Stearns and, I think, for home consumption, you had the City of Prineville railway running from Prineville to Bend, and I think that the record should show that a correction is made, that the City of Prineville doesn't connect with the Oregon trunk and the Union Pacific at Bend, but at a point north of Redmond some 18 miles from Bend.

That is local color, of which both Mr. Stearns and I are very well aware.

Mr. STEARNS. We wouldn't want Bend to get away with our galloping goose.

Mr. FARRENS. I think I was aware of it too; I just overlooked it.

E. J. QUINN was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is E. J. Quinn?

A. Yes.

Q. You are the sales manager for Bodinson Manufacturing Company?

A. That is right.

Q. What business is that; what do they engage in?

A. We manufacture all types of machinery for conveying rock and gravel plants, and in recent years we have developed a
1609 great deal in the mining industry. We built a small dragline dredge for gold recovery, and so far we have got about a hundred of them spread around California and Oregon and Idaho and Washington.

Q. Any of them in northern Montana and western Montana?

A. Some of them in Montana and Colorado.

Q. And to what points in the northwest do you ship?

A. We ship to practically all mining points in Medford, Klamath Falls, the Baker district, Prairie City.

Q. John Day?

A. Into the John Day district and several other districts, in there where these small dredges are at present.

Exam. KEPHART. From where?

The WITNESS. From San Francisco.

By Mr. SCHAFER:

Q. Also northern Idaho and western Montana?

A. We have shipped some, made some shipments in there, not to any great extent.

Mr. HICKSON. Mr. Schafer, for my benefit will you state whether or not he makes any shipments into the Coquille or Coos Bay area?

By Mr. SCHAFER:

Q. Do you ship anything into Oregon, the Coos area north of Gold Beach and in that territory?

A. I don't think so; I don't recall that district.

Q. How does your company compare in size with other companies around here in the same line of business?

1610 A. We are the largest manufacturer of that type of equipment in California or practically in the world in this type of mining equipment.

We have a factory at San Francisco which, oh, I guess, our employees are about 75 people at present.

Q. And you understand that Consolidated here proposes to extend its line from Klamath Falls and Medford into San Francisco and improve its present running time 24 hours to points north of

Portland and in central and eastern Washington and Oregon, northern Idaho and western Montana?

A. That is my uderstanding; yes.

Q. Would you say that this improvement in service would be or any benefit to you in the mining business and the people who have your dredges in that territory?

A. Well, it is very essential because these dredges operate on a 24-hour basis. They run three shifts, and most of them produce, I would say, in gold from 20 to 50 dollars an hour and when they are shut down for lack of some particular part, it means a great deal of lost money to them.

Q. Does it mean any loss to their employees?

A. Not so much to their employees unless it is a long delay. They have to pay their crews while they are waiting or while they are shut down.

Q. What are the nature of the repair parts that you ship
1611 into the northwest?

A. Well, in most cases it is replacement parts that wear out or maybe parts that break, something without warning gives way, and they must have a replacement immediately, and it is usually a matter of getting it there in the quickest way possible.

Q. Could the same parts be obtained from, say, Butte or Billings or Spokane, Portland, Seattle, or some place like that?

A. For the equipment that we have built it usually has to be replaced by ourselves.

Q. Do you know whether any considerable stock of mining supplies is carried in any of the towns that I just mentioned?

A. Not for this particular type of equipment; they don't carry any stock.

Q. Do you know whether San Francisco is a principal source of supply for mining supplies in the west?

A. I think it is to a great extent. There is more, I believe, shipped out of San Francisco to the mining districts, than by most any other city.

Q. Do you know of your own knowledge that the mining operators up in the northwest also buy other mining supplies in this area that are available only in this district?

A. Yes; there are some parts that have equipment that we don't supply; like I know they buy pumping equipment and
1612 certain pumps, like by Rand and Jackson, those that are made here for that purpose, and I know that parts are shipped out for those particular people that have that type of equipment.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. How large a piece of equipment is this drag-line dredge that you manufacture?

A. Well, the original equipment of each dredge would weigh about 60 ton.

Q. How much?

A. About 60 tons, the original setup.

Q. You don't ship that by truck?

A. No; we send special trucks usually with the original job.

Q. Do you manufacture at present an efficient and well-constructed dredge?

A. Yes; it is considered the best that has been available. We have really developed it actually since they started using that type of equipment which has only been in the last four or five years.

Q. Have your users had any excessive amount of difficulty with breakdowns and defects?

A. It is mostly wear, you see, because the wear naturally is because it runs through sand and gravel, that is running through the plant continually, three shifts daily, which gives it about
1613 20 hours a day run. Naturally the parts have to wear out and it is those replacement parts they must have in a hurry. Sometimes they wear out more rapidly than they expect.

Q. How long does it take these parts to wear out?

A. Oh, some parts, like, we will say, the most—the part that wears mostly is in the revolving trommel screen; that the gravel will go through. Some of those parts wear out possibly every four to five weeks.

Q. Four to five weeks?

A. In some cases.

Q. And most of the parts last much longer than that screen would last?

A. They last much longer, except in case of an accident. There are various reasons sometimes why they will have an accident and break parts. They may drop large boulders in through which will become entangled in certain parts and tear them out.

Q. That is a rare situation?

A. Well, that happens to nearly every one of them occasionally.

Q. For the most part these replacement parts from wear can be anticipated weeks in advance, can't they?

A. Some of the operators try to anticipate them, but in many cases they put them off until they are gone and then they want something in a rush.

Q. Most of these dredges, I assume, are used in rather remote sections of the country, are they not?

1614 A. Yes; the majority of them are.

Q. Where in Oregon do you have such dredges in use?

A. Well, we have one at a little town of Holland. That is near the Oregon Caves; we have some in the neighborhood of Medford and the John Day district.

Q. Have you had occasion to make shipments to the mine at Holland, at the operation at Holland?

A. Yes; we have.

Q. How did those shipments move?

A. Well, in this particular case we sent up a special truck. That was about the fastest way to get it up there. It was some parts he needed in a hurry.

Q. Was that just a small shipment or a large one?

A. Well, some of it they sent down in their own trucks; it was quite a large shipment.

Q. I assume that was done partly because of the fact that the mining operation was carried on in a remote place off the main highway?

A. Yes; it isn't so terribly far away, but they were just really getting set up there and breaking things in. They were making some changes on their equipment in order to get into operation as soon as possible.

Q. The equipment was heavy enough that the task of loading and reloading from the highway point and the transpor-

1615 tation back into the interior was somewhat of a problem?

A. Well, not necessarily. You see, if it is a fairly large operation they all have their own trucks for hauling from the nearest town, and they usually handle that type of—they are able to handle anything their trucks will carry.

Q. Have you used a common carrier truck service to these southern Oregon points that you have mentioned?

A. Well, we have been shipping right along by P. M. T. or Oregon-Cal.

Q. And about how frequently have you used P. M. T. or Oregon-California?

A. Well, we use them every day; I think, more or less, several times, several shipments nearly every day, or we have, I would say, on an average maybe—we shipped up into Oregon maybe three or four times a week.

Q. Has your P. M. T. service been reasonably satisfactory?

A. It has been, only in case of possibly they have—we have had requests from several customers to try and speed up the service. In a few instances we have to use the Greyhound bus where the items were small.

Q. Have you had any serious difficulty with the service of Oregon-Nevada-California Fast Freight?

A. We haven't had any difficulty of any kind with them with the exception if we could get faster service it would mean a lot of saving in money to the operators at one time or another.

1616 Q. Did you know that the reason you didn't get faster service was the fact that there was delay in interchange at Medford?

A. Well, we understand that it takes about a day longer when they interchange that way.

Q. If that interchange delay could be eliminated, that would better suit your purposes, and really give you the service that you want?

A. I think it would improve it a great deal because then it would go right straight through without any hitch or possibility of being left behind or overlooked somewhere.

Mr. FARRENS. That is all.

By Mr. PERRY:

Q. The only interest that you have in this application is shipping repair parts?

A. Mostly shipping repair parts, unless there is other shipments that may be going up that maybe could not get on one of the large trucks. Take the original job, if we were to make an installation there.

Q. Well, you don't use common-carrier service at all with the exception of emergency shipments, do you?

A. Yes; we use it for practically any shipments that we could use that service for.

Q. Do you use common-carrier service into Oregon and Washington for the movement of your dredges when you sell them?

A. Not the dredges, themselves, no; but every order naturally is not an emergency and we use the common carrier for other

1617 things besides emergency orders.

Q. It is only your small shipments that you use the common carrier; am I correct in that?

A. In most cases; yes. When the job goes out—for instance, if it is a complete job we have large trucks. Some of these large trucking companies take the whole job and deliver it right to the site where the job is going in. That eliminates having trucks. If we ship by rail it eliminates having additional trucks to take it in maybe 20 or 30 miles from the railroad.

By Mr. FARRENS:

Q. That is special haulers, you mean you have?

A. Special haulers; yes; contract haulers.

By Mr. PERRY:

Q. What would be the average weight of your shipments by common carrier? Do you have any idea?

A. Yes; oh, they would average anywhere from a hundred pounds up to 1,500, 2,000 pounds.

Mr. PERRY. That is all.

Mr. SCHAFER. I have no redirect.

Chairman TERRIL. That is all, Mr. Quinn. Thank you very much.

Mr. SCHAFER. Thank you very much.

(Witness excused.)

Chairman TERRIL. We will take a short recess.

1618 (Thereupon a short recess was taken after which proceedings were resumed as follows:)

Mr. SCHAFER. Mr. Hicks.

GEORGE W. HICKS was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is George W. Hicks?

A. Yes.

Q. You are traffic manager for the Bigelow-Sanford Carpet Company?

A. Yes, sir.

Q. What is the nature of that business?

A. We are manufacturers of rugs and carpeting all of which is distributed to the western states through our Emeryville warehouse.

Q. Do you carry any stocks in the northwest?

A. Not at the present time.

Q. Do you keep any stock on consignment with dealers?

A. Not at all.

Q. How do you supply your dealers in the northwest?

A. Our dealers in the northwest are supplied from our Emeryville warehouse usually by truck.

Q. Where is Emeryville?

A. Emeryville is on the east side of San Francisco Bay near the bridge approach. It is between Berkeley and Oakland;

1619 you might say, an industrial center.

Exam. KEPHART. Does it border on Berkeley?

The WITNESS. Yes, sir.

By Mr. SCHAFER:

Q. Practically the same as Oakland?

A. Yes; in fact, there is very little difference.

Q. Did you say how you supply your dealers in the northwest?

A. We supply them from our Emeryville stock via truck in most cases.

Q. I see. And what is the volume of your business in the northwest?

A. Our volume would average about 12 to 15 shipments per day or over and the shipments aren't necessarily large due to the fact that dealers don't carry large stocks at the present time.

Q. And who are your dealers principally; what type of business are they in?

A. Well, they are furniture dealers usually; well, naturally, the most reputable we can find.

Q. Department stores and furniture dealers, and such things as that?

A. Yes, sir.

Q. Is your product nationally advertised?

A. Yes; it is one of the best-known products in the United States and probably comparable to any. Our volume is as large as any, I would say.

1620 Q. Are you acquainted with the present transportation facilities in your northwest territory?

A. Yes; that is my job and also that is very tough territory to ship to.

Q. Do you understand the application of Consolidated Freightways here to extend its lines from Marshfield and Medford and Klamath Falls into San Francisco and its proposal to render a 24-hour faster service to eastern Oregon, central and eastern Washington, northern Idaho and western Montana, Tacoma, and Seattle?

A. Yes.

Mr. FARRENS. If the court please, at this point, unless counsel proposes to show that this witness' company will ship from some point other than Emeryville, I want to object to any further testimony from this witness, on the ground that Emeryville is a separate municipality. It is not on the route or within the application filed by this applicant, and there has been no determination by the Commission or otherwise to the effect that Emeryville is in a metropolitan area which would be included in San Francisco or any of the points named in the application.

Exam. KEPHART. Is Emeryville completely surrounded by Oakland or does part of it border on Berkeley?

The WITNESS. I believe—I will not state definitely—that it borders on Berkeley.

1621 Exam. KEPHART. Otherwise it is surrounded by Oakland?

The WITNESS. By Oakland and by San Francisco Bay.

Exam. KEPHART. Does it extend down to the Bay?

The WITNESS. Yes.

Mr. SCHAFER. Well, not only do we serve Emeryville at the present time, but it is within a mile of the route which we are proposing here; and I think I will just submit tht objection without argument.

Chairman TERRIL. The witness may answer.

Mr. SCHAFER. Well, this was a motion to deny the witness testifying further.

Chairman TERRIL. Well, the motion will be denied.

Mr. FARRENS. May an exception be noted?

Chairman TERRIL. It may be noted.

By Mr. SCHAFER:

Q. What truck service do you now enjoy between your warehouse and Spokane, do you know?

A. We use the Oregon-California Fast Freight and Consolidated Freightways.

Q. Is that the best service that you have been able to locate to date?

A. Yes; we have investigated several and found that they have the most satisfactory service.

Q. Are you aware of the transit time at present required between this district and Spokane?

A. Yes; third morning by truck and fourth morning by rail.

1622 Q. Is that also true of Seattle?

A. Yes; Seattle is third morning by truck, also the same by rail.

Q. What do you know of the service to Marshfield?

A. Well, it is—I think the service is about fourth or fifth day by truck—by rail, rather. I know of no truck line serving that point direct.

Q. Do you have any market for your merchandise in Marshfield? Do you ship to that point?

A. Yes; we have one customer in Marshfield.

Q. Have you ever been solicited by any through direct service between San Francisco and Marshfield up this highway 101?

A. No.

Q. Has anyone approached you with any through rates applying into Marshfield, described any joint service up that highway into Marshfield?

A. I believe not, not with through rates to Marshfield.

Q. You are the traffic manager of this company?

A. Yes.

Q. You are the person who would ordinarily be approached by a carrier who was looking for business?

A. Yes; I interview all solicitors.

Q. Has your business been increasing any of recent years, your business into the northwest?

A. I would say that—I would not like to answer that.

1623 Q. You don't know whether that is so or not? You don't know whether it has or not?

A. I couldn't say, no.

Q. I see. Why do you need a faster service into the northwest?

A. Well, up until a year and a half ago we maintained a warehouse stock at the City of Seattle which supplied the northwest division on all made up rugs and carpets and it became necessary to close that at that time, and we are now on a non-competitive basis with our competitors so far as service is concerned.

Q. Now, from your experience as a shipper of rugs and such articles, have you formed any preference one way or the other as between a through single line service and a joint service made up of one or several connections?

A. Well, naturally for various reasons a through carrier is better.

Q. Would the second morning service proposed enable you to better meet your competitive situation in that territory?

A. Yes, it would. During the recent Market Week, which was the week before last, our northwest salesmen were here and they state that our competitors, who maintain stocks in Spokane and Portland and Seattle, are having an advantage in that respect due to the fact they are dealing with housewives usually who demand instant delivery, although they are going to use the merchandise for twenty years.

1624 Q. Have you ever used the services of Consolidated Freightways direct?

A. Well, we have used them direct to Utah and southern Idaho.

Q. Have you found them satisfactory?

A. Yes; in fact, we found they have better conditions than the other truck lines and, of course, they are slightly better than rail.

Q. Of the various services into southern Idaho which do you use from San Francisco?

A. Southern Idaho? We use Consolidated Freightways.

Q. You find that the best service there?

A. Yes.

Q. Is there any further statement you would care to add with respect to your position in support of this application?

A. No, only that we are keenly interested in the granting of this permit due to the fact we will be on a more competitive basis with our competitors.

Q. Do you find the merchants have a tendency to stock up on your line of goods or do they let you carry the stock for them?

A. Well, the merchandising trends in recent years seem to be the supplier will do the warehousing; the retailer will order out to meet his individual customers requirements.

Q. Are you confronted with frequent demands for fast service?

A. Well, yes; occasionally we have to resort to express
1625 or else resort to other more expensive means where they are not through rates in order to get the merchandise to the customer by a certain date.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Is it not a fact that improvement in the speed of transportation service is the controlling factor which has caused you to carry this stock for your local dealers in the northwest?

A. I wouldn't feel qualified to answer that.

Q. Well, don't you know that the practice of dealers in ordering in small quantities if and when needed has resulted almost entirely since you have had the high speed truck line service?

A. Yes; I would say that that was a major factor, although there are other considerations.

Q. Now, we have had testimony in this case of retail merchants in the northwest indicating that if there is a speeding up of the service between San Francisco Bay points and the northwest, especially in the Spokane area, it will enable them to further reduce the stock of goods which they will carry.

Now, I ask you whether or not you think that will prove to your advantage or disadvantage if that is the result of higher speed service?

A. Well, I would say that stocks in the last few years have
1626 been at a minmum, at any rate. Whether the service has speeded, it couldn't affect the stocks carried.

Q. Then, you would disagree with the testimony of retailers, who have told this Commission that one day's faster service would further reduce the amount of stocks which they would have to carry?

A. My personal opinion was that the stocks—that due to their recent policies of carrying a minimum, that there would not be much difference. That is merely my personal opinion.

Q. Well, if it would further reduce the volume of their stock that would result to your disadvantage in that it would cause you to do just that much more of the carrying of the stock of merchandise for your retailer? Is that not true?

A. I wouldn't want to answer that; that is a sales matter. I wouldn't want to give my impression.

Q. Over how long a period of time did you maintain the warehouse stock of your own in the northwest?

A. Well, I have been with the company about approximately four and a half years. I know that that warehouse was main-

tained—was there at the time I came with the company, was maintained up until approximately a year and a half ago. I couldn't say how far.

Q. But that warehouse was discontinued notwithstanding the fact that your competitors maintained warehouse stocks at
1627 Portland, Seattle, and Spokane?

A. Yes.

Q. Now, what was your peculiar situation which enabled you to discontinue that warehouse in the face of your competitive situation?

A. I am unable to answer that question because I had nothing to do with the negotiations. That was decided by the officers of our company.

Q. Isn't it a fact that the only thing that permitted you to discontinue that was the fact that you did have fast transportation service from San Francisco to your northwest markets?

A. I understand that that was a factor, one factor.

Q. Have you continued to be competitive in the northwest notwithstanding the lack of stock in the northwest?

A. I understand that we have not from our salesmen in many cases due to our inability to furnish goods.

Q. Actually the only way you could place yourself strictly on a competitive basis would be to establish warehouses as close to the consumer as your competitors have, is that not correct?

A. I could not say that is the only way.

Q. Counsel asked you if you had been solicited for traffic over Highway 101 to Coos Bay under through route or joint rate proposals and I believe you answered in the negative.

1628 A. I believe he mentioned Marshfield, which is beside the point. We have no customers in Coos Bay.

Q. What was that?

A. I say, he mentioned Marshfield. I suppose he meant the area.

Mr. FARRENS. The witness said, Mr. Ellis, that he had no customers in the Coos Bay area. That is the part you didn't hear.

The WITNESS. In fact, you did not mention Coos Bay, I don't believe.

Mr. SCHAFER. I asked you about Marshfield, whether you ever sold anyone in Marshfield.

The WITNESS. Yes, I presume that is what you are referring to.

By Mr. ELLIS:

Q. You don't ship up there?

A. We ship to Marshfield, not Coos Bay.

Mr. SCHAFER. Marshfield is in Coos Bay.
The WITNESS. Oh, it is?

By Mr. ELLIS:

Q. Do you know whether or not through routes and joint rates are available over Highway 101 to Marshfield?
A. I understand not.
Q. Have you made any recent investigation to ascertain whether they are or not?
A. Yes; I had occasion to. I know the rates are based on a differential over Portland.

1629 Q. Your truck rates are based on a differential over Portland?
A. As far as I know are based on an arbitrary through Portland.
Q. Whose rates are you talking about now?
A. At the time I was referring to rates in the P. I. F. Inland Freight Tariff Bureau No. 9.
Q. You haven't recently investigated to learn that there are such rates available now over 101?
A. My impression is that it was a month or so ago.
Q. Would you use them if they were available at the present time?
A. Yes; naturally due to the fact that the rail service is not satisfactory to that point.
Q. Have you had any particular difficulty with the service, joint service now rendered by the Oregon-Nevada-California Fast Freight and Consolidated Freightways to points in the northwest?
A. I believe it is the best service that is offered.
Q. Have you ever made any complaints about it?
A. Well, naturally we are receiving complaints about the service to the northwest from our customers, but I would say the organizations together have rendered a good service.
Q. You have never had occasion to make any complaint to the Oregon-Nevada-California or the Consolidated concerning that service, have you?

1630 A. No.
Q. Have you ever used the through direct service of Pierce Auto Freight Lines to Portland?
A. No; I haven't, mainly for the reason that I understand that Pierce doesn't run their own trucks every day.
Q. You were not informed of the fact that in June daily service was inaugurated?
A. I was not.
Q. Would that type of service be of value to you?
A. We have had better service under our present carriers than we were able to get from Pierce.

Q. Have you used Pierce's through service since he has established it on a daily basis?

A. No; I have not.

Q. But in any event you think you have had better service under the joint operation of Oregon-California and Consolidated than you did the direct service of Pierce?

A. Yes, under the old service.

Mr. ELLIS. That is all.

By Mr. HICKSON:

Q. Mr. Hicks, you testified that you had shipments into Marshfield. Do you have shipments to any points intermediate between San Francisco and the Oregon-California State Line on U. S. Highway 101, such as Eureka and Garberville and Crescent City?

A. Yes, sir.

1631 Q. You do ship to them?

A. Yes, sir.

Q. How do you move those shipments at the present time?

A. We have been shipping them by both rail and truck.

Q. By truck. And what truck companies are hauling for you at the present time?

A. Well, Intercity serves us at several of those points.

Q. And you will continue to ship to those points, will you?

A. Yes. Well, the service is very slow. Naturally we would use any carrier who could give us a first morning delivery.

Q. Well, are you laboring under the impression that if the Consolidated Freightways is granted the certificate they are here seeking that they will serve such points as Garberville and Crescent City and Eureka on U. S. Highway No. 101?

A. No; that is intrastate.

Q. What is that?

A. I am sorry; that is intrastate. I am here in the interests of our service to the northwest, especially to Oregon, Washington, and Idaho.

Q. Well, are you not also interested in getting good service to such points as I have named between San Francisco and the Oregon-California State Line?

A. Well, naturally; yes. Naturally we are interested in good service any place.

Q. And you would be opposed to any situation which
1632 would bring about a discontinuance or an impairment of that service, would you not?

A. I don't believe I understand that last question.

Q. Well, assuming that the Consolidated Freight Lines granted a through service from San Francisco to Marshfield, and on that truck they operated they took certain through movements which

are now moving over the joint service of the carriers who are operating between Marshfield and San Francisco, and the loss of that tonnage was sufficient so that the existing carriers who are now serving all those intermediate points couldn't continue to give you daily service, would that be a detriment to you?

Mr. SCHAFER. I object to that as assuming something not in evidence. All during the five, six, and seven days of this case the protestants have tried to establish there is a movement via this joint service. Not one shipper has discovered or ever heard of a joint service or ever used it.

Now, he is assuming if we took all that business that is now moving over that joint service away from those carriers. That is an assumption; there is no assumption that there is a pound moving that way.

Chairman TERRIL. Let's have the question and we will rule on it.

(The question referred to was read by the reporter.)

Mr. HICKSON. I am assuming that public service is a
1633 vital issue in this case, a very vital issue.

Chairman TERRIL. I think there is a question as to whether or not there is a joint service available and I think that the answer of this witness will be allowed.

Mr. ELLIS. I can assure the Board the joint service is available and will be shown.

Chairman TERRIL. The Board has ruled. The witness can answer the question.

Mr. HICKSON. This witness will be gone by that time.

Chairman TERRIL. I said the witness may answer the question. Answer the question, will you please?

The WITNESS. I must answer?

Chairman TERRIL. Yes, if you can.

The WITNESS. Yes. Well, perhaps I can't.

Exam. KEPHART. Do the best you can. If it is something you don't know, just say so. If you do, just answer.

Chairman TERRIL. Are you prepared to answer? Can you answer the question?

The WITNESS. I am not prepared to answer that.

By Mr. HICKSON:

Q. Your answer is that you don't know whether it would be a loss or detriment to your company to be deprived of service that you now have to points that you want to get merchandise to? Is that the answer you want to make?

A. Well, I am not prepared to answer the question is
1634 what I stated.

Q. Well, why aren't you? You are here as a witness in the interest of another carrier who is going to give you service.

A. Yes. Well, my opinion is—you mentioned several California intrastate points, and my opinion is that we naturally would be interested in better service, or in the service which is offered, and I would say that we would not be too sentimental regarding services that——

Q. (Interrupting.) You would not be too what?

A. We might say "sentimental."

Q. Sentimental?

A. Yes; regarding services that could not compete with a direct service.

Q. Would you be sentimental if you didn't get a through service into Marshfield?

A. Well, I am here in the interests of a through service to Marshfield.

Q. Well, I am getting at why would you be sentimental, not sentimental about losing the service to these other points and sentimental about the service into Marshfield?

A. I say naturally we are interested in a through service to either Marshfield or the other points.

Q. Would you be just as much interested in getting service to Marshfield and Eureka and all those points, intermediate
1635 points, as you are to Marshfield?

A. Yes; we are just as anxious about getting service to any points.

Q. You are just as much interested in one as the other?

A. Yes.

Q. If you lose one, it would be just as much a loss to you as the other, would it not?

A. Yes; I would say so.

Mr. HICKSON. That is all.

By Mr. PERRY:

Q. May I ask a question, Mr. Hicks? Do you have only the one customer in Marshfield? Did I understand you correctly?

A. I recall but one.

Q. Well, would you mind telling me which territory is most important to your company, the territory that Mr. Hickson just asked you about in northern California or the one customer in Marshfield?

A. I am not prepared to answer regardless of the worth of customers or the competitive——

Q. (Interrupting.) In which territory do you sell the most merchandise?

A. You are comparing one town as against a territory?

Q. That is correct.

A. Yes. I am not prepared to answer that without the necessary figures.

1636 Q. Do you mean to tell me that you sell more merchandise in Marshfield than you do into Eureka and Garberville and Crescent City and Arcata?

A. No. I was referring to that area last mentioned as against the one city. No, I would say we do not sell more to the City of Marshfield.

Q. Well, the maintaining of a service to those northern California points is more important to your company than the getting of service into Marshfield, an additional service into Marshfield, is it not?

A. Yes; but naturally the improvement of the service to Marshfield is to our advantage and the customer's advantage.

Q. Would you answer my question, Mr. Hicks, please, as to which is more important?

A. Well, naturally we would have to say that the service to a group of towns and a group of customers would be more important.

Mr. PERRY. That is all.

By Mr. IVERS:

Q. Does your company ship out of Los Angeles?

A. Not at the present time.

Q. You did at one time?

A. We did at one time.

Q. How long ago was that?

A. I would say roughly two years, between two and two and a half years.

1637 Q. At that time you utilized the services of the Los Angeles-Seattle Motor Express, didn't you?

A. No. The warehouse cutting room in Los Angeles supplied the Los Angeles area only.

Q. Well, didn't you make shipments over the Los Angeles-Seattle Motor Express from Los Angeles north into Oregon and Washington?

A. I would say during the time I have been with the company there wouldn't have been 10 shipments.

Q. Well, I was not interested in how many there were. Didn't you ship some out of Los Angeles up into that territory?

A. I would say "no," not regularly. In fact, as I mentioned, possibly ten shipments which would only be in the case of extreme necessity and the warehouse was here.

Exam. KEPHART. It is more necessary that the reporter get that answer than it is Mr. Ivers gets it.

The WITNESS. Yes sir.

By Mr. IVERS:

Q. Do you receive shipments south-bound from Seattle?

A. No.

Q. Did you at anytime in the past?

A. No; not in any volume.

Q. Well, any shipments?

A. We might say an occasional rush, say, one or two a month would be all.

1638 Q. Are you familiar with the services of the Los Angeles-Seattle Motor Express?

A. Their solicitor has only called on me once so far in the past.

Q. Well, are you familiar with the service? Have you used it?

A. I have not used it.

Q. Now, is it a fact that the competition which exists between your competitors maintaining warehouses in the north and yourselves has become more difficult for you to meet since you have removed your warehouse from there?

A. Yes.

Q. And as the volume of dealers' stocks decrease when they buy closer, are you at a greater disadvantage where your competitor has a warehouse close at hand and you are somewhat removed?

A. The answer would be "yes," taking into consideration rush orders where the customer doesn't show a preference, but we have a nationally advertised line, as you know.

Q. Well, would it be a fact that the smaller the dealer's stock would get, the more difficult your competitive situation would be against your competitor who has a warehouse in the territory?

A. Yes.

Q. So that if the faster service being supplied is utilized
1639 by retailers to carry a lesser stock, then, it would be a disadvantage to you, at least, to that extent?

A. The question was if stocks should become smaller?

Q. Yes, by virtue of closer buying due to faster service?

A. Yes.

Q. Now, on these instantaneous orders that you say have to be filled and the things that are causing you difficulty, is there any difference as to whether the customer could be supplied with that particular item in two days as against three days?

A. I understand from our salesman in the territory that there is a decided difference.

Q. Would there be the same difference three days as against four days?

A. Will you repeat the question?

Q. Well, let's put it this way: In most cases where your competitor has a warehouse near by he can make so-called immediate or instant delivery, can't he?

A. Yes.

Q. Now, do you think that reducing your delivery time from three days to two days would offset his advantage of immediate delivery?

A. I raised that question. Our salesmen tell us "yes."

Q. Now, do you know why?

A. Well, taking into consideration most of the northwest
1640 points that can be served overnight from our competitors' warehouses, our salesman tells me that he would be placed in a better position if he were able to say "We can make second-day delivery."

Q. At what points——

A. (Interrupting.) Instead of the way it is now.

Q. At what points are you speaking about now?

A. I am speaking of most of the northwest points covered by this application.

Q. Well, now, what about Seattle, right in Seattle? That wouldn't apply, would it?

A. Seattle? Yes, it would.

Q. Does your competitor maintain a warehouse in Seattle?

A. Yes; two competitors there.

Q. It isn't a question of overnight delivery; it is a question of immediate delivery?

A. In that case; yes.

Q. Your premise wouldn't work in Seattle, would it?

A. No, but naturally we would be put at less disadvantage.

Q. Now, your competitor also maintains a warehouse in Spokane?

A. Yes.

Q. That wouldn't apply in Spokane either, wouldn't it?

A. Merely as it would in Seattle; it would be one day less than now.

1641 Q. And there is a warehouse maintained in Portland?

A. Yes.

Q. Are there any other places in the northwest where warehouses are maintained?

A. I understand not.

Mr. IVERS. That is all.

By Mr. FARRENS:

Q. You made the statement, Mr. Hicks, on direct examination that there was no single line direct service to Marshfield, I believe, by truck.

A. I said that was my understanding, I believe.

Q. Have you ever made any investigation to ascertain what single line carriers are operating from San Francisco to Marshfield?

A. Frankly, I have not been concerned with them, as much with Marshfield, as the others.

Q. That has not been a matter of sufficient importance to you as far as Marshfield is concerned to investigate the number or the character of services of single line operators operating between San Francisco and Marshfield?

A. Oh, yes; frankly, as I testified previously, I will say it has been the balance of the northwest, has been our reason for coming here. We have not been concerned with Marshfield as much as other points.

Q. You did not know that Pacific Truck Express for a long time has been operating a single line haul between San Fran-
1642 cisco and Marshfield?

A. I knew that they are operating to northwest points although their service has not tied in with our warehouse operations in a way that—it has not tied into our operations so that it would help us any due to the fact that their trucks leave from San Francisco and the connection from Oakland is so early that our workrooms would not be able to get the merchandise out in time. It is the loss of an extra day.

Q. How long has it been since you tried the service of the Pacific Truck Express to Marshfield?

A. I haven't used Pacific Truck Express to Marshfield.

Mr. SCHAFER. To Marshfield, you say?

The WITNESS. Yes; I say I have not.

By Mr. FARRENS:

Q. You stated that for obvious reasons you preferred a thorough carrier. Did you have any reason for preferring a through carrier as against a joint carrier operating on joint through rates, other than the possible question of settling claims?

A. Well, yes; and then delay at transfer points; I mean, solicitors will tell you it is handled instantaneously and so forth, but there is usually a delay resulting.

Q. Now, whether or not that delay could be eliminated by operating through equipment without any interchange of lading at Medford, and whether or not delay could be avoided by
1643 through billing or various practices of that sort are operating questions that you would not be familiar with; that is true, isn't it?

A. I am not familiar with all the operations of truck lines.

Mr. SCHAFER. Will you raise your voice just a little, Mr. Hicks. This is a large room. There is a lot of muttering going on down here and I can hardly hear you.

By Mr. FARRENS:

Q. But, if, as a matter of fact, Oregon-Nevada and Consolidated Freightways could adopt operating practices which would eliminate the delay which now occurs because of the interchange at Medford and thus give you precisely the same speeding up in time of transit which has been suggested to you can be afforded by this extension, would that substantially meet your necessities?

A. In other words, if, as an example, say they operated similar to the Freightways system in their tieup with Consolidated Freight Lines, other participating carriers?

Q. That is what I am trying to avoid, Mr. Hicks, is a discussion between you and me as to what operating methods shall be adopted to achieve the result.

I am asking you whether or not if a result could be achieved so that the operation would be as fast as a single line operation such as they now suggest, would that largely meet your situation?

A. Well, naturally we are interested in the results.

1644 Q. And that is all you are interested in, isn't it?

A. Well, I would—there are so many ramifications to your question. I mean, provided it could be worked out you mean similar to a joint service or working as one unit?

Q. So it would be worked out to give you as a shipper the same time in delivery between Emeryville and Pacific northwest points as you could get if this extension were granted?

A. Well, you mean if it could operate in the same manner as one company carrying on the operations?

Q. That is right. I am talking now about the question of time in transit.

A. Time in transit only?

Q. Yes; if you could get the same time in transit through the adoption of different operating practices, whatever they may be, by these two joint carriers, that would satisfy your time in transit requirements just as equally well as if it were done by one carrier, wouldn't it?

A. As far as time in transit is concerned; yes.

Q. That is right. Then, if that were true, you would have only one thing left, that would be the question as to whether or not you could get good claim settlement service?

A. The claim is another feature.

Q. Or tracing of delayed shipments from the two lines operating jointly as you could from one line?

A. Yes.

1645 Q. And if a method could be developed where a claim settlement and the shipments could be handled as efficiently in the joint line service as on a single line service you wouldn't care which way it was done as long as it was done with equal efficiency?

A. No; we wouldn't.

Q. You are here testifying in behalf of this applicant's request for an extension simply because it has not been shown to you that the time in transit could be equalized with a single line movement on this joint line movement and because it has not been shown to you that the settlement of claims and the tracing of shipments can be handled as efficiently on the joint line movement as on the single line movement; that is true, isn't it?

A. Well, that is based on experience too, you might say, because it hasn't been shown to me.

Q. Well, your experience, then, to date has been that those things have not been accomplished on the joint line service?

A. I would say that they have not been accomplished by any joint line service.

Q. Now, the joint line services that you referred to with which you have had experience, none of them have interchanged equipment so that the equipment has gone through in the same manner as it would if it were a single line operation; that is true, isn't it?

1646 A. I understand it has in cases.

Q. And in no cases has a system of settling damage claims and tracing delayed shipments been adopted by joint lines which is equal to that which you have enjoyed from a single line haul?

A. No.

Q. And you are assuming from the fact that that has not been done that it can't be done?

A. I have been told by various solicitors that had been done but it has never worked out.

Q. How long have you had experience as a traffic manager, Mr. Hicks?

A. I have been with this concern four and one-half years, serving in that capacity for approximately four.

Q. Did you have previous experience along that line?

A. It was in exporting mostly.

Mr. SCHAFER. I can't hear you, Mr. Hicks. Speak just a little louder.

The WITNESS. It was in exporting mostly prior to that time.

By Mr. FARRENS:

Q. Now, do you know whether or not in any other case where you are using joint line service there is a predominance of the in-

terchange traffic as compared with the local traffic hauled by the individual lines?

The WITNESS. Will you repeat that question?

1647 (The question referred to was read by the reporter as above recorded.)

A. I am not able to answer that question.

By Mr. FARRENS:

Q. Now, do you understand that the proposal made by this applicant in this case would result in an earlier delivery of your shipments to Portland than you are now receiving via the joint line?

A. I understand the time would be the same to Portland.

Q. Then, your advantage on time of delivery would be only to points north of Portland, as you understand it?

A. I would say to points north and east of Portland, yes sir.

Q. And do you know whether the time of arrival at Portland of the schedules proposed by this applicant in connection with through operation would be such that the connection with their connecting carriers' schedules at Portland would effect an economy of time in shipments destined to points north and east of Portland?

A. Yes; I understand that the connection would be first night; in other words, a shipment leaving here would reach Portland the first evening via a connecting carrier instead of the second as it is now.

Q. Now, you base that understanding on representations which this applicant has made to you with respect to such connections?

A. Yes; I am not able to judge the operating; in other

1648 words, I assume they can make the schedule.

Mr. FARRENS. That is all.

Redirect-examination by Mr. SCHAFER:

Q. Mr. Hicks, do your competitors carry the same rugs that you do, the same patterns?

A. Their rugs, I would say, are of similar construction, but patterns are individual with the various companies.

Q. And you wouldn't concede, would you, that the values were as good either, would you?

A. Of our competitors?

Q. Yes.

A. Our Sales Manager would have to state that.

Q. Now, is there ever the question of the customers waiting for the rug they want regardless of how many competitors' rugs are right there in town?

A. I couldn't tell you the percentage; undoubtedly there is.

Q. And do you have occasion to cut rugs to order for size and so forth?

A. Yes, that has been the trend in recent years.

Q. That is done down here in your Oakland plant?
A. Yes.
Q. And that isn't usually done in the smaller warehouses, is it?
A. Not in very small warehouses, no; they maintain a rug stock only.
1649 Mr. FARRENS. That is all I have.
Mr. HICKSON. Just a minute.
Chairman TERRIL. Wait just a minute. Mr. Hickson has one more question he would like to ask.

Re-cross-examination by Mr. HICKSON:

Q. Mr. Hicks, do the Seattle merchants at the present time compete with you in the Oakland market and the San Francisco Bay area?
A. I am unable to answer that question.
Q. Well, I believe you stated that you compete with them in Seattle.
A. I did.
Q. Well, isn't it a fact that if a service is inaugurated here which will allow you to compete with those manufacturers in Seattle, by the same token it will allow them an advantage in competing with you in San Francisco and the Bay area?
A. Those merchants and those lines carried by those competitors—I would say those lines are all carried by local merchants here.
Q. Well, what I am getting at, if there was an advantage accruing to you by virture of this faster service north, the same thing would accrue to the Seattle shipper the reverse direction, wouldn't it, and by that you would lose?
A. I am saying those firms are represented here. In other words, take any competitors' merchandise such as Alexan-
1650 der Smith can be shipped from local warehouses here.
Mr. HICKSON. That is all.
Chairman TERRIL. That is all, Mr. Hicks. Thank you.
(Witness excused.)
Mr. SCHAFER. I would like to call Mr. Adams.

ROBERT S. ADAMS was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is Robert S. Adams?
A. That is right.
Q. And you are the Adams of Adams & Reynolds Building Supplies, Lakeview, Oregon?
A. Yes.
Q. And what merchandise do you handle?

A. I handle all types of building material, paints, sash, and doors, hardware, nearly everything that goes into the building of a house.

Q. And do you buy any of your supplies from San Francisco or Sacramento?

A. Yes; my hardware and paint supplies, almost all of them, come from Sacramento.

Q. Do you get any merchandise from San Francisco?

A. I get some occasionally, hardware and flooring and roofing items.

Q. I see. About what would be the amount of your
1651 average monthly freight bill on items obtained from these places in California?

A. Well, it varies according to the season. However, we get a shipment nearly every day either of hardware or of paint which will run from a hundred pound shipment to up as high as a ton shipment.

Q. Do you know what your average monthly freight bill might be, all your freight bills in a month?

A. No response.)

Q. If you don't know——

A. (Interrupting.) I don't know; I don't know.

Q. And what transportation service do you use now?

A. I am using nearly—I am using all the available transportation service that is coming in there.

Mr. FARRENS. If the Board please, perhaps I am dumb, but I am wondering why a witness is called by Consolidated whose place of business is Lakeview. It is my impression that all this application covers was an alternate service via Lakeview rather than a regular service.

Mr. SCHAFER. Well, I will explain that: The proposal here is to operate a line which will give arrivals in Klamath Falls early enough to give first noon deliveries in Lakeview. Furthermore,
on the full loads, why, they would be operated directly into
1652 Lakeview via the alternate route. The present service is second morning.

Mr. FARRENS. That is fine. I was wondering if you were contending for regular service, but I understand your point now. I have no further comment to make.

Mr. SCHAFER. I might say this is one of the witnesses we had at Portland who didn't get to testify because of the delays there.

By Mr. SCHAFER:

Q. Do you have any rail service into Lakeview?

A. We have rail service.

Q. And are you familiar with the transit time from the San Francisco Bay area and Sacramento?

A. Yes; it runs all the way from four days to seven days.

Q. And what truck service do you have?

A. We have Consolidated connecting with Oregon-California Fast Freight and also Arrow Transit connecting with Oregon-California Fast Freight.

Q. And what transit time do you enjoy on truck service?

A. The truck seems to run three days, four days; some shipments have been as high as five days.

Q. What is the usual average?

A. The usual average is probably three days.

Q. You mean third morning?

A. Well, it is third afternoon.

Q. I see. Now, do you have occasion to need a faster
1653 service than that?

A. We should have a faster service.

Q. And what benefit would you derive if you had a service that would be there the first thing in the morning?

A. That would enable me to keep my stocks down a little lower; I wouldn't have to maintain quite as much stock, but that part of it isn't so important as the fact that we need to get material in there as rapidly as possible. We have to compete.

Take like with paint items, there may be other distributors of other brands of paint that are closer. If they can get those in quicker, why, they may get the business.

Q. Let's take a specific instance. If your customer wanted some particular shade or color of paint or type of paint that you don't have in stock how would you endeavor to secure his order?

A. Well, I try to keep him—try to make him wait as long as he can for it; that is the only way I can do. It isn't so much a color; it is probably the quantity of the material that they would need.

Q. would a day saved give you any better chance to hold that sale?

A. Yes; every minute counts.

Q. Do occasions respecting paint such as I just mentioned
1654 arise very frequently?

A. Yes; almost every day, every day or so.

Q. And how large a stock of paint do your carry?

A. Around $2,500 of paint, which is more probably than I should be carrying in that small a territory.

Q. And are you confronted with the same problems on the other items which you carry?

A. Yes; the same thing with hardware.

Q. Well, now, are you able to get merchandise out of Portland faster than San Francisco?

A. We are able to get merchandise a little faster out of Portland.

Q. And that would enable San Francisco wholesalers to compete with the Portland wholesalers?

A. Oh, yes; to much better advantage.

Q. Have you ever used the services of Consolidated Freightways?

A. Yes.

Q. And have you found them dependable and satisfactory?

A. They have been dependable and satisfactory.

Q. Now, from your experience as a shipper of goods have you formed any preference one way or the other as between a through service by a single line and a joint service by a service of connections?

A. Yes; I don't like the connecting service. I have so much damaged material; it has mainly come through shipments
1655 that have been transferred so many times. Claims, although you may get them paid, are costly too because of the delay.

Q. Have you ever been offered by any other transportation facility a service that as nearly meets your needs as the one which is here proposed?

A. No one has ever contacted me.

Q. Would you expect it to have any effect on the volume of your business or the variety of stock carried?

A. Yes; it should enable me to reduce my stock some. It should increase my business to have a little faster service.

Q. I see.

A. I don't know that it would increase it so much, perhaps, as it would to give my customers better service, which is what I am there for. That is only thing that I can claim to maintain a yard for is service to the customers.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ELLIS:

Q. Are you patronizing Portland wholesalers at the present time?

A. On some lines of merchandise; yes.

Q. How is that merchandise shipped from Portland to Lakeview?

A. Shipped from Portland to Lakeview, via Bend-Portland truck or by Consolidated, and it is shipped sometimes by Southern Pacific. However, that is a very long route. It takes a week or a week and a half, I expect, to get freight.

1656 Q. Which of the two truck routes carries the most of your traffic from Portland; Bend-Portland or Consolidated Freightways?

A. Consolidated, I think, carries the most of it.

Q. And when you ship from Portland by Consolidated you get one line direct service, do you?

A. Yes; one line direct service.

Q. Do you know what the mileage is from Portland to Lakeview via the route now traveled?

A. No; I don't know what it is.

Mr. SCHAFER. I will stipulate for the record it is about 450 miles via Klamath Falls.

The WITNESS. Yes; it must be somewhere near that, all right; I don't know the exact mileage.

By Mr. ELLIS:

Q. Do you know how that compares with the direct highway distance from San Francisco Bay points?

A. Well, from San Francisco Bay points should be about the same, a little closer, I imagine.

Q. Do you think if the proposal of this applicant should be granted you would divert some of your business from Portland wholesalers to San Francisco wholesalers?

A. Yes, sir; I would, I know some of it I would.

Q. And you think that would also result in enabling you to reduce the amount of stock which you carry at Lakeview and require the wholesalers to carry their stock just a little bit

1657 longer than at the present time?

A. That might be the case. If that is the case they would have to adjust themselves to that situation.

Q. There has been——

A. (Interrupting.) We have to change all the time. I am interested in serving the public; that is what I am there for.

Q. There has been a trend in that direction, hasn't there, during recent years, due to the speeding of transportation service from distribution centers to local communities such as your own?

A. I imagine there is a trend that way; yes.

Q. And that trend which you think results in some advantage to you likewise resulted in a disadvantage to the wholesaler who must carry the larger stock and carry it a little longer?

A. Well, that might be, but then, you are trying to go backwards to the old horse and buggy days when you are doing that. You had better be progressive and they will have to change, the wholesalers will have to; they will have to meet that. That is the way I look at it; it is not my problem.

Q. You admit that your advantage becomes a disadvantage to the wholesaler in that respect?

A. Well, I don't know his problems.

1658 Mr. ELLIS. That is all.

Mr. IVERS. I have no questions.

By Mr. FARRENS:

Q. Mr. Adams, who solicited your attendance here as a witness in this case?

A. I wanted to come down here. Consolidated told me of their proposal, what they were intending to do, and I am very much interested in a faster service into Lakeview.

Q. Did Consolidated explain to you that the reason why they wanted to extend south of Klamath Falls and south of Medford was principally in order to extend their service between those points and San Francisco Bay points?

The WITNESS. I don't understand your question.

Mr. FARRENS. Will you read it, please?

(The question referred to was read by the reporter as above recorded.)

A. No; I wouldn't understand that part of it at all.

By Mr. FARRENS:

Q. You didn't understand that throughout this hearing the principal advantage which they have stressed is the opportunity to serve between Portland, on the one hand, and San Francisco Bay points, on the other hand, without interchange of lading with the connecting carrier at Klamath Falls and Medford?

A. Oh, yes; I understood they intended to make a direct service; yes.

1659 Q. And did they explain to you that Oregon-Nevada-California Fast Freight, which is the other carrier now furnishing the connecting service, had also made application to extend their lines from Klamath Falls and Medford northward to Portland?

A. I don't think they said that; I have found that out, though.

Q. And did they tell you——

A. (Interrupting.) I know who they are.

Q. Did they tell you that Oregon-Nevada-California Fast Freight had also applied for authority to run their service directly from San Francisco Bay points to Lakeview through Alturas without any interchange in lading of freight?

A. Do you mean run it direct from San Francisco to Lakeview?

Q. Through Alturas, yes. Did you know that proposal was pending before this Board?

A. No; I didn't know that.

Q. Well, now, do you have any trouble at the present time due to the fact that at Klamath Falls your shipments from San Francisco Bay points are interchanged between Oregon-Nevada-California Fast Freight and Consolidated Freightways?

A. There seems to be some difficulty there.

Q. And if there was a transfer of lading between the equipment by which Consolidated Freightways transported your freight from San Francisco Bay to Klamath Falls to the equipment by which they would transport it from Klamath Falls to Lake-
1660 view would you look for similar difficulties to exist?

A. No; I wouldn't, because I think the nature of the difficulty is not that. One carrier having control of the freight would give service, while with two or three different carriers owned by different companies there might be some friction there. That is probably what is happening.

Q. Your opinion is that the difficulties which you now are experiencing in the interchange of freight at Klamath Falls is due to friction between the two companies?

A. I think that is what it is; I don't know what the reason is.

Q. And if that friction was not present you believe that the service would be just as good as it would on one carrier?

A. No; I believe that if one carrier picked up the freight in San Francisco, if they put it on ten different trucks, they would probably give me a good service all right. They are interested in giving me service, while a number of carriers don't seem to be.

Board Member BROWN. Why do you say that?

The WITNESS. Well, there seems to be some friction in Klamath Falls between—that is, the Arrow Transit also picks up freight at Klamath Falls from Oregon-California, and Consolidated also picks it up and they seem to, if the freight lays over a day or so in Klamath Falls, why, they lay the blame on the other
1661 carrier, they didn't pick it up or something. It seems to me there is friction there in Klamath Falls. I have also had the same thing happen between the Southern Pacific in trying to get freight over into Lakeview.

By Mr. FARRENS:

Q. Well, now, the friction that you are talking about must be on the part of Consolidated, then, because they are the ones that pick it up; isn't that true?

A. No; they are not the ones that necessarily pick it up.

Q. Well, if they are the ones that pick it up and part of the time they are, aren't they?

A. I don't think in their service they can pick up the freight there, perhaps, and make a good connection.

Q. Aren't you having some of your shipments delivered to you at Lakeview by Consolidated Freightways now?

A. Some are delivered by Consolidated; some are delivered by Arrow Transit.

Q. And what do you understand the trouble to be with respect to those shipments which are delivered by Consolidated?

A. Well, there isn't any trouble with them that I know of except that I—I don't know what the trouble is. I know I don't get my freight when I should get it.

Q. Even when it is delivered to you by Consolidated?

A. No.

Mr. SCHAFER. You are speaking of freight from San Francisco?

The WITNESS. Yes, sir.

1662 By Mr. FARRENS:

Q. You don't know which carrier is to blame, whether it is Oregon-Nevada-California Fast Freight or Consolidated?

A. No; I don't know who is to blame for it.

Q. Well——

A. (Interrupting.) But I understand the connecting carrier picks it up as soon as they can, but I don't know where the trouble is. I know after I wait four or five days expecting freight, I get to wonder where it is sometimes.

Q. And did you ever find out where it had been?

A. I have never been able to definitely find out where it is; no.

Q. Well, that is a separate schedule which Consolidated runs from Klamath Falls to Lakeview, isn't it? It doesn't run between any other points?

A. I don't know about that.

Q. Well, if it is a separate schedule might there not be a lack of coordination between the Portland-San Francisco Bay point schedule and that schedule which would also cause a delay?

A. Well, perhaps, there could be a delay. However, they claim that they would give me next noon delivery on shipments leaving the night before out of San Francisco Bay points and Sacramento points.

Q. Mr. Adams, are you more friendly toward Consoli-
1663 dated and would you, all things being equal, prefer to support an application by that company than you would by another company?

A. No; not necessarily. What I am interested in is faster service.

Q. All right, I want you to know that I don't represent either one of them, see, and here you have got a proposition before this Board in this case, and in another case being handled, the proposition of Oregon-Nevada-California Fast Freight giving you

through direct service from San Francisco Bay points to Lakeview daily, and they don't even stop to make any interchange deliveries between San Francisco Bay points and Lakeview.

Now, which, in your opinion, would be the service which would best meet your needs, a daily service which left San Francisco Bay points on a schedule which was headed through to Portland, but which unloaded your freight at Klamath Falls and put it on another one of their schedules headed from Klamath Falls to Lakeview, or would it be a daily service which left San Francisco Bay points and went straight through handling no freight at intermediate points directly in one truck to Lakeview?

A. Well, as I said, I have no preference to any freight line or anyone that puts it up there. However, there has been difficulty at times with carriers that have carried freight when they
1664 didn't have equipment that was suitable. There has been some difficulty in getting freight in.

Now, if they had the same—if they have good equipment—any freight line would be all right as far as I am concerned.

Q. Well, assuming that they have equally good equipment?

A. I know Consolidated has good equipment; I never have seen Oregon-California's equipment.

Q. All right. Let's assume that there is no difference in the equipment of those two companies. One of them is operating from San Francisco Bay points through Klamath Falls to Portland on a through schedule which carries your freight to Klamath Falls, unloads it there and loads it on to another schedule running from Klamath Falls to Lakeview. Now, that is one service.

The other service is a daily service with equally good equipment running from San Francisco Bay points direct through to Lakeview making no stops for the loading or unloading of freight at intermediate points.

A. Well, if the one—whichever would be the fastest would be the one I would be interested in.

Q. And would it make any difference to you whether it was a through service on which there was no interchange from one truck to another?

A. Well, that doesn't matter to me as long as there was no damage of freight, and if there is damage of freight I expect
1665 to claim any freight damage. I expect the freight to arrive to me in good condition. That doesn't make any difference; it doesn't matter if they changed it ten times, if anyone changed it ten times on the way up if I got it in good condition and got it the same time; that is all I am interested in.

Q. Now, I want to put to you the same question in a little different angle. You are a shipper, receiver of freight.

A. Yes.

Q. If you were disposed to grant one, but not both of two applications, and one of these applications ran from San Francisco Bay through Klamath Falls and would result in the freight being unloaded in Klamath Falls and put on a schedule running from Klamath Falls to Lakeview, and the other would be put on a truck that ran straight through to Lakeview via Alturas, which of those two services do you think would be best for the public?

A. Oh, I suppose that—well, I tell you, one is about as far as the other.

Q. Suppose one company was running——

A. (Interrupting.) This one here [indicating on map], they don't keep the roads open.

Board Member BROWN. Which one do you mean?

The WITNESS. They don't keep the roads open as much as the other one.

Mr. SCHAFER. What do you mean by "this" so the record
1666 will be clear?

Mr. FARRENS. The Alturas route.

Mr. SCHAFER. When we read the transcript "this" doesn't mean anything.

Mr. FARRENS. The witness pointed to the Alturas route; that will clear the record.

Mr. SCHAFER. You mean the Alturas road is not kept open the year around?

The WITNESS. No; it is not kept in as good shape as the other road.

By Mr. FARRENS:

Q. Suppose the same company with the same equipment were operating both routes, which would you expect to bring the best service to the public?

A. The same company operating both routes?

Q. Which route do you think would give the best service to the public?

A. Well, all through the summer months I expect this one would [indicating].

Q. By "this one" you mean the Alturas route would give the best service?

A. Yes.

Q. And during what months of the year would you expect the Klamath Falls route to give the best service?

A. Well, I don't know. Service to the people? There is a lot more people live on this other one [indicating].

1667 Q. I am talking about service to Lakeview.

A. Service to Lakeview?

Q. Yes; during what months of the year would you expect the Klamath Falls route to give the best service to Lakeview?

A. Well, during the winter months.

Q. And what are those months that you have in mind? What months would that Alturas road be seriously impaired?

A. December, January, February, and March.

Q. So that eight months out of the year the Alturas route would furnish the best service to Lakeview and four months out of the year the Klamath Falls would furnish the best service?

A. No; I didn't say that.

Q. Well, am I wrong in interpreting your answers?

A. Well, I dont' know about that. I really—I am unqualified to say which would give the best service. I am just assuming a lot of things here when I say that.

Q. Well, weren't you assuming a lot of things when you suggested to this Board that the extension of this applicant's service south of Klamath Falls was necessary for good public service?

A. I don't understand your question.

Q. Well, I say aren't you assuming a lot of things when you testified on direct testimony that the extension of this applicant's service from Klamath Falls south-bound was

1668 necessary to give good public service?

Mr. SCHAFER. At Lakeview, you mean?

Mr. FARRENS. Yes.

A. Yes, I think that is necessary. I feel it is necessary for someone to get in there.

By Mr. FARRENS:

Q. And that assumption is based upon—that statement is based upon an assumption on your part that joint lines couldn't give the same service; that is a fact, isn't it?

A. Yes, I don't believe joint lines can.

Mr. FARRENS. That is all.

The WITNESS. A combination of carriers.

Mr. FARRENS. That is all.

Redirect examination by Mr. SCHAFER:

Q. Do you get better service from Portland via Consolidated Freightways now, did you say, than you get from San Francisco via the present combination service?

A. Yes, better service.

Q. Better by a full day?

A. Yes.

Q. And the mileage is about the same, is it?

A. About the same.

Mr. SCHAFER. That is all.

Mr. BEROL. Just one question I would like to ask this witness.

1669 Re-cross-examination by Mr. BEROL:

Q. Mr. Adams, did I understand you to say that you expressed some opinion as to whether the route between San Francisco and Sacramento and Lakeview via Alturas was or was not open the year around?

A. Oh, yes; it is open, I think, but it is more—I think it is more apt to get closed up in the wintertime.

Q. Now, do you definitely know that, Mr. Adams?

A. Not definitely. I know that I have wanted to come to San Francisco a few times and have felt in my mind it would be better to go around by Klamath Falls and Weed rather than go over the Burney Mountain to Redding.

Q. Now, I have been informed, and I don't know whether the informatioin is correct or not, that in the last five years the route via Alturas has not been closed for one day.

Are you prepared to state as to whether that would be correct or incorrect?

A. I don't know.

Mr. BEROL. That is all.

Chairman TERRIL. That is all.

(Witness excused.)

Mr. SCHAFER. It is about twenty to five, isn't it?

Chairman TERRIL. Off the record.

(Remarks outside the record.)

Chairman TERRIL. On the record.

1670 Exam. KEPHART. Now, of course, I want to know before tomorrow noon what you are going to do about the possibility of resuming, say, on August 22nd.

Chairman TERRIL. We will adjourn until 9 o'clock in the morning.

(Whereupon at 4:45 p. m. an adjournment was taken until 9:00 o'clock a. m., August 10, 1940.)

1671 Before The Interstate Commerce Commission

Docket No. MC 42487 (Sub. No. 15)

In the matter of the application, as amended, of Consolidated Freightways, Inc., of 2029 Northwest Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, over the following routes:

Route No. 1—Between San Francisco, Calif., and Medford, Oregon, via Arbuckle, California.

Route No. 2—Between San Francisco, Calif., and Klamath Falls, Oregon, via Arbuckle and Weed, California.

Route No. 3—Between the junction of U. S. Highway 40 with U. S. Highway 99W (West of Davis, Calif.) and Redding, California, via Marysville, California.

Route No. 4—Between Redding, California, and Lakeview, Oregon.

Route No. 5—Between Goshen, Oregon, and the junction of Oregon Highway 58 with U. S. Highway 97 near Crescent, Oregon.

Route No. 6—Between Marshfield, Oregon, and San Francisco, California, via Eureka and Santa Rosa, California.

1672 Docket No. MC 42487 (Sub. No. 18)

In the matter of the application of Consolidated Freightways, Inc., of 2029 Northwest Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC-8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate, in the States of California and Oregon, between San Francisco, California, and Ontario, Oregon, via Woodland, Williams, and Red Bluff, California, with alternate route via Sacramento and Marysville, California.

Docket No. MC 42487 (Sub. No. 19)

In the matter of the application of Consolidated Freightways, Inc., of 2029 Northwest Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC-8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, California, and Marshfield, Oregon.

Docket No. MC 42487 (Sub. No. 20)

In the matter of the application of Consolidated Freightways, Inc., of 2029 Northwest Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC-8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally in interstate commerce, in the States of California and Oregon, between San Francisco, California, and Medford, Oregon, via Woodland, Williams, and Red Bluff, California, with alternate route via Sacramento and Marysville, California.

1673 A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

SAN FRANCISCO, CALIFORNIA,
August 10, 1940, 9:00 a. m.

Before Joint Board No. 11; C. T. Terril, Chairman; Warren K. Brown, C. I. Kephart, Examiner.

Met pursuant to notice.

Appearances: Same as heretofore noted.

1674

PROCEEDINGS

Chairman TERRIL. The meeting will come to order.

Mr. SCHAFER. Mr. Husband.

WILLIAM HUSBAND was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Your name is William Husband?

A. That is right.

Q. And you are an unmarried husband?

A. That is correct.

Q. You are with the Seattle Pacific Products Company?

A. Yes, sir.

Q. What kind of a business is that?

A. We are exporters of all types of perishable cargo, food products.

Q. Do you understand what this proceeding is about?

A. Yes, I do.

Q. And what is your understanding?

A. I understand that Consolidated wants to complete their service from the northwest and extend it through to San Francisco from Klamath Falls and Medford.

Q. Do you understand that by that extension they expect to save 24 hours in their present transit time?

A. Yes, I do.

Q. Do you understand also that the same improvement of
1675 the time is proposed from such points as central and eastern Washington and central and eastern Oregon?

A. That is very true; yes.

Q. Now, what is your interest in this application?

A. We need a very rapid service from the northwest points, including Yakima, Wenatchee, Seattle, and also from Hood River and even in Oregon, in around Bend and Klamath Falls into San

Francisco, that will assure us that we can get cargo to the ships on time for transshipment to Manila, and we also need the service to assure us that when we make bids on navy contracts that we can get 48 hour delivery from the northwest to San Francisco which is required by the Navy Department.

Q. Now, what is the result if you haven't a service which will enable you to fill navy orders within 48 hours?

A. All navy contracts require bonds. If we do not fulfill our contracts as specified they will buy against us and charge the difference to our account.

Q. And have the northwest suppliers been participating in these sales to the navy?

A. We did participate actively until about February of this year. Since that time the navy has decided to change their purchasing system and buy everything in San Francisco rather than allowing us to ship it from any other port. In other words,
1676 they put it on their supply ships here mostly, and buy it on the pier here, inspection here.

Q. If you had a dependable daily second morning refrigerator service into San Francisco could you participate in that business?

A. Definitely we could.

Q. Have you participated in it in the past, I mean, prior to their 48-hour rule which they inaugurated?

A. You mean that the navy inaugurated?

Q. Yes, sir.

A. Why, that rule has been in effect for some time. As I stated, we participated in it when they were purchasing on this other system. This new system of purchasing just came in recently.

Q. Oh, I see. Now, you mentioned Manila. Is that where these navy purchases go?

A. Manila and Shanghai, mostly Manila, a big volume.

Q. Do you ship now from Seattle to Manila and Shanghai direct by boat?

A. Yes; we do not have very good service, though. We only have one vessel that we can depend on a month; that is the Canadian Pacific Railway ship which is not an American bottom, and which the navy will not let us use for their food supplies.

Q. Do you sell other people in the Orient besides the navy?

A. Yes; we have thirty customers in Manila.

1677 Q. And is there any objection to using the Canadian ships or other foreign ships out of Seattle for those customers other than the navy?

A. There is now.

Q. What is that objection?

A. Due to the British control of all the Canadian, Danish, Norwegian, and Dutch vessels at this time, and because the Japanese

and the English are not in a very friendly condition, we are afraid to ship our cargo on foreign carriers out of Seattle. We want to ship them—would rather ship the cargo from San Francisco on American bottoms.

Q. Aren't there American ships leaving from Seattle for the Orient?

Q. Yes, but they do not have any refrigerated cargo; they are freighters.

Q. I see. Now, speaking of your customers in the Orient, aside from the Navy, is there any reason why you can't fill your orders with the present service which you have?

A. Why, yes.

Q. What is that?

A. In order to compete with other firms along—particularly in San Francisco, if we get an order in on short notice and can wire to San Francisco for space, we must be able to guarantee delivery down here in time to catch the outgoing steamers.

1678 Sometimes that is only, oh, 72 hours at the very most, and by the time we buy the produce and get ready for shipment it is just about all we can do to make any profit at all on the deal, and many times we have to turn down our orders because we do not have an adequate service that will assure us of prompt delivery.

Q. Now, does this navy rule which you mentioned, that orders must be filled within 48 hours, does that apply at Bremerton also? Could California producers and growers compete for the sales to the Navy at Bremerton if they had a dependable refrigerated second-morning service?

A. They could, but what would they be competing on? There isn't any business at Bremerton that amounts to anything.

Q. You mean the sales to the Navy in the Orient and the Pacific are much greater than——

A. Very definitely. Up there the workmen and so on are private individuals and live in private homes. There is no food needed except when a ship comes in once in a while for repairs.

Q. What type of produce do you deal in?

A. We deal in apples, pears, onions, potatoes, and all types of fresh vegetables, meats, poultry, and eggs.

Q. Now, what producing territory would be affected by being permitted to participate in these sales to the Navy and the filling of these orders to the Orient?

A. Why, we make our purchases in Wenatchee, Yakima,

1679 Seattle, Mt. Vernon, and in Oregon, Hood River, Klamath Falls, Deschutes, and Underwood; right across the river from Oregon there.

Q. Just why do you regard the existing service between Seattle and San Francisco inadequate?

A. Why, I have never been solicited by the existing carriers outside of the railroad companies, and I know that they can't make the time, and I don't know about the truck lines—I don't know whether they have the necessary rolling stock at the time we need it; no one has ever told me that they have.

Q. Do you know of any direct service from such places as Wenatchee and Yakima and The Dalles, Hood River?

A. No; I don't.

Q. Do you know of any exempt carriers carrying the produce which you——

A. (Interrupting.) No; I don't.

Q. Have you ever endeavored to get the Navy to relax its rule on 48-hour delivery?

A. Yes; I wrote to all the Congressmen and Senators in Washington and took the matter up with Rear Admiral Spear, who was the Paymaster General of the Navy, and when he came out to the coast a few weeks ago I talked to him about it, and asked him to help us and the final answer was that they would not relax
1680 their rules. They stated that that was necessary because the fleet movements—the ships had to leave on time and they had to have the produce fresh and that they weren't going to take any chances. I can produce a letter to that effect.

Q. Now, do you now bid on that Navy business, those purchases which are made from the San Francisco Bay area?

A. Well, we can't bid because we haven't the fast delivery service with ample equipment, and that is what we are after.

Q. Why don't you bid anyway?

A. Well, what is the use? You can't make delivery.

Q. As between a through single line service and a service perfected by means of several connections, one or more connections, which do you prefer?

Mr. FARRENS. Just a minute.

I object to that question on the ground it calls for the opinion of the witness in a matter in which he has not shown qualifications. It appears presently he has not been using either a single or a through truck service. He has had no experience in the use of either single or through truck service, and has been relying on rail service entirely.

Chairman TERRIL. I believe the objection is well taken.

By Mr. SCHAFER:

Q. I will ask the witness if he has had any experience in dealing with connecting truck services?

A. Connecting truck services? I don't understand that.

Q. I mean a service through from some point to Seattle
1681 which is accomplished by more than one carrier an interchange in route at some connecting point?

A. I couldn't honestly say that I know whether there is any interchange made or not. I do know we ship by truck down the coast once in a while.

Q. I will withdraw that question.

What type of refrigeration is most satisfactory for your business?

A. We need a standard type of refrigeration that keeps the vegetables at a constant temperature of between 34 and 36 degrees without any too great a variation.

Q. Does it matter to you whether your produce is taken out of refrigeration for an hour or so en route?

A. It depends on the type of produce. If it happens to be potatoes or onions, naturally we do not have to ship that down in refrigeration, but all the other vegetables including apples, except in the very cold months, if they were taken out it could and would tend to help them deteriorate faster.

Q. Do you use dry ice in refrigerating your produce?

A. No.

Q. Is it desirable to use dry ice?

A. We don't believe it is because, although I am not a chemist, I know that dry ice takes out, apparently takes out moisture and seems to have some kind of an effect on the vegetables which is not satisfactory.

1682 Q. Would a thermostatically mechanically controlled refrigeration system, such as Consolidated uses, meet your needs on refrigeration?

A. Yes, sir.

Q. Can you give this Board any idea of the tonnage which might be expected to move if such a service is available?

A. Basing it on previous years we expect to move about 500,000 pounds a month.

Q. Is this traffic moving at the present time?

A. No.

Q. How much freight are you moving to Manila in foreign ships which you now believe would be safer on American ships because of the tichlish situation between England and Japan?

A. About four-fifths of that figure; in other words, 400,000 pounds.

Q. Is that in addition to the navy purchases?

A. No; that would usually include them, but sometimes due to their heavy purchasing our cargo would probably increase a lot over that figure.

Q. Well, assuming that you could compete for the navy purchases and also that you will route your refrigerated commodities to Manila and other points in the Orient through San Francisco, what would the total expected volume be?

A. I believe that that 500,000 pounds a month would approach a reasonable figure. As I said before, 400,000 pounds
1683 would be Manila business, but we also ship to Shanghai and there would be additional there. It is hard to tell you how much.

Q. I see.

A. It can't be figured ahead.

Q. Do you also have an opportunity to bid on other points that are shipped out of San Francisco?

A. You mean for the navy?

Q. Yes.

A. Well, Shanghai.

Q. How about Panama?

A. No; they purchase some other way for Panama. We do ship to Panama for the Panama Railroad Company on bids, but apparently the Panama Railroad, although they will accept bids on some commodities out of the northwest, on vegetables they want us to deliver them to the dock in San Francisco. Why, I don't know.

Q. Are you able to do that?

A. Not now, because, although we know and have the bids in hand in ample time, sometimes they will call for the merchandise in a hurry.

Q. And how much tonnage might be expected there if you had a faster service?

A. About 60,000 pounds a month.

Q. Now, of the total volume of business which we have discussed, how much would be new business for the northwest
1684 growers and producers, and how much is now moving through Seattle on foreign ships which would be diverted through San Francisco?

A. Why, about 400,000 pounds is moving through on foreign carriers out of the northwest. That all will be diverted through San Francisco because we will not take a risk on those foreign carriers.

Q. I see, and then 100,000 pounds might reasonably be expected in sales to the navy?

A. No; I am including in the navy business the sales that go over there every month; I am including that in my figure. That is our total sales, approximately.

Q. Oh, I see; that is your total present sales?

A. Yes; and most of it is Oriental sales.

Q. What I am trying to get at, aside from your present business of 400,000 pounds a month, which is sold, I understand, to the navy and to your customers in Manila, how much additional

business would you expect if you could compete on this 48-hour rule and participate and safely bid on purchases?

A. Judging from last season's business I would say that we can increase our business at least 200,000 pounds of cargo per month.

Q. Then, you would expect what, 700,000 or 600,000 pounds per month to move south-bound from points in the northwest into San Francisco?

1685 A. For Manila, 600,000 pounds.

Q. And more for Hong Kong?

A. No.

Q. What was the other point you mentioned?

A. That was Panama, from 60 to a hundred thousand. Sometimes Panama would run even higher than that.

Q. Are you familiar at all with the operations of Consolidated Freightways?

A. Yes.

Q. Have you had occasion to use them between points in Washington?

A. No.

Q. How do you happen to be familiar with them?

A. Well, just like being familiar with a railroad, you know that it——

Q. (Interrupting.) You are in Seattle and you just know they are there?

A. We know they are there; we see their trucks and equipment on the streets. We run into their agents just the same as we do railroad agents. It is brought before us that there is such a service at all times.

Mr. SCHAFER. That is all the questions I have.

Cross-examination by Mr. ROBERTS:

Q. Mr. Husband, do you warehouse any of these various commodities that you deal in?

1686 A. No; we are brokers.

Q. Brokers wholly?

A. That is right.

Q. Then, in other words, if you are going to fill any character or kind of an order you have to take it up with the persons from whom you are purchasing?

A. That is right.

Q. Say that is in The Dalles or Hood River——

A. Yes.

Q. Or places such as that, how would you expect to fill a 48-hour order relative to shipments from those points?

A. Why, that is what I am asking for is a service that I can.

Q. Well, suppose there was such a service as that, how would you make arrangements to get those various commodities in order to meet a 48-hour service?

A. Why, we use wire communications. When we get our orders in from Manila by cable we would immediately wire our different connections stating we need so many hundred boxes of apples of a certain kind and so on, and that they had to be on the pier in San Francisco at a specified date, and please confirm, and a wire would be received back to us within an hour stating whether it is possible to fill this order, and if it was, if it was a very—an emergency, I would know before I sent the wire whether I could get truck service or rail service down the coast. I would call up someone and
1687 try to find out. If I couldn't, I would take it up with the supplier down here, say, at The Dalles, and see if they could get me something. If they couldn't, we would have to let the business go.

Q. Would you depend upon him, whomsoever it might be, to make the arrangements with the shipper?

A. You mean the man I might buy from, purchase from? No; not if it is an emergency.

Q. How much in poundage do your emergencies amount to, your emergency shipments?

A. Let's see—I believe at times we would have orders for 25 to 50 thousand pounds of stuff where there was only a day or two in which to close the thing up and get it ready for shipment.

Q. How would you ship if you had 50,000 pounds; by truck?

A. How would I ship?

Q. Yes.

A. It would all depend on what truck service we had.

Q. You have never utilized any carrier service into the Bay points at the present time, as I understand it.

A. Oh, yes; occasionally we have.

Q. Occasionally?

A. Yes; very—just occasionally.

Q. What carrier service have you utilized?

A. Seattle-Los Angeles.

1688 Q. Did you know their time of shipment between Seattle and San Francisco?

A. Did I know their time?

Q. Yes, sir.

A. I know it is second-morning delivery.

Q. Well, wouldn't that be sufficient to meet your needs and requirements?

A. I don't believe they have the equipment necessary because I have never been solicited and I don't even know any of the firm.

Q. Well, you have utilized them in the past?
A. Occasionally; yes.
Q. Have you found them satisfactory?
A. On very small orders; yes.
Q. Well, would the small orders be any different than the type of large shipments which you intend to use insofar as the care necessary?
A. Not so far as the care, but it would—the rolling stock, the number of pieces of equipment would be of interest to us.
Q. Well, have you ever made any investigation as to the number of pieces of equipment?
A. No; it is up to the people to solicit us.
Q. Well, up to the present time the utilization which you have made of this carrier has shown that it is entirely
1689 adequate for your requirements; isn't that true?
A. No; it was until the navy changed their method of buying.
Q. Well, how does that change the carrier requirement, the adequacy of the service which you receive?
A. Well, it requires that we have to shoot all our cargo down here now instead of shooting it out of Seattle.
Q. But you have found that the service that you have received in the past and at the present, as I understand, to be entirely adequate for the shipments which you have made?
A. I don't say for the present, just for the past.
Q. For the past. Well, how would the change of the navy requirement prevent that from being adequate?
A. You mean the truck service that now exists?
Q. Yes, sir.
A. If they have the rolling stock it will be adequate.
Q. If they have the rolling stock and do what you say Consolidated has promised you?
A. Yes.
Q. Wouldn't that service be entirely adequate for your purpose?
A. Surely.
Q. In other words, there is no need of any new carrier service because of the fact that you have received adequate treatment that has met your needs and requirements. The only thing that you now want is more of that same kind of service?
1690 Mr. SCHAFER. Objected to because the question overlooks entirely that his shipments were made from Wenatchee, Hood River, The Dalles, and other points not served by Seattle-Los Angeles Motor Express.
Mr. ROBERTS. I am taking into consideration from Seattle.
Mr. SCHAFER. Oh, from Seattle. All right.

By Mr. ROBERTS:

Q. Isn't that true?

A. You mean that all that stuff would have to move into Seattle for you to pick up?

Q. No; I am saying if the service which you now receive is entirely adequate for your needs and purposes, as I understood as to these small shipments, the only thing that you say is needful is more equipment. If that carrier furnished more equipment wouldn't that be sufficient for your needs and purposes?

A. From Seattle?

Q. From Seattle?

A. Yes; from Seattle.

Q. What is the difference from these other outlying points?

A. Well, we move a lot of cargo from these outlying points that would never touch Seattle, that come down from eastern Washington.

Q. Suppose that same kind of service was given you?

A. If we could have the same service, second day out of Yakima, out of Hood River and so on, it would take care of us.

1691 Q. Now, I believe you said that you were shipping to the Orient to the extent of about 400,000 pounds?

A. About 400,000 pounds.

Q. You are using foreign bottoms?

A. We have been using mostly foreign bottoms; yes.

Q. You are now using that same type of service?

A. We are right now eliminating foreign bottoms.

Q. Out of Seattle?

A. Out of Seattle and out of San Francisco. We are going to use American President Lines and the De La Rama Steamship Company.

Q. Because of Japanese interference?

A. Yes, sir.

Q. You have been reading the newspapers lately?

A. Certainly.

Q. As to the Japanese threat relative to the United States?

Examiner KEPHART. Threat of what, Mr. Roberts?

Mr. ROBERTS. I don't know. I was just reading myself.

By Mr. ROBERTS:

Q. You don't take that very seriously; do you?

A. We still have our fleet out there. We are going to stay in business; we are not going to let the Japs run us out.

Q. You think that is the reason they will run the British and the other foreign ships off the Pacific?

A. (No response.)

1692 Q. You think that the Japanese threat will take the British and other foreign bottoms off the Pacific?

A. No; I wouldn't say the threat, but force will.

Q. You think that that is going to happen?

A. Yes; I do.

Mr. ROBERTS. I think that is all.

Mr. HICKSON. Just one question.

By Mr. HICKSON:

Q. Is it your understanding, Mr. Husband—has it been represented to you by the applicant in this case that wherever you have an emergency shipment calling for a large movement on short notice that the applicant will have on hand at all the places that you may desire to buy, equipment ready and available to move on a moment's notice in order to get it into San Francisco in 24 hours?

A. Although our orders come in and have to be handled rapidly, they don't have to be handled on a moment's notice.

Q. Well, I thought your testimony here was predicated on the fact that you required a faster and more expedited service and the present service was too slow?

A. That is true, but a moment's notice gives you no time whatsoever. We have to have time to turn around and find out what can be done.

Q. Well, going back to my original question, has it been represented to you by the applicant in this case that it will have
1693 equipment ready and available to all these points to handle your movements expeditiously and on a 24-hour schedule to San Francisco?

A. 24 or——

Q. (Interrupting.) Or 48 hours; pardon me.

A. 48, but they have, I believe, indicated to me that they will have such equipment available at key points.

Q. Well, what do you mean by "key points"?

A. Yakima, Seattle, places like that where they would naturally get our cargoes.

Q. That is the representation that has been made to you here?

A. Yes.

Q. You are now basing your testimony in reliance upon that representation?

A. To some degree; yes.

Q. Well, what degree?

A. I can't answer that question.

Mr. SCHAFER. Can you say how much time you will require? How much time could a carrier be allowed to get three, four trucks and trailers to a given point? Three, four hours?

The WITNESS. More than that.

Mr. SCHAFER. Four or five hours?

The WITNESS. Give you twelve hours.

By Mr. HICKSON:

Q. And this emergency isn't quite as acute as you represent it here in your direct testimony, is it?

1694 A. Many times it is.

Q. The delay of even 12 hours in getting equipment available wouldn't be a matter of any concern to you?

A. Ordinarily 12 hours would be the extreme limit in case we had anything that had to be down here. That would be the most time we could give anybody.

Mr. HICKSON. That is all.

By Mr. JENNINGS:

Q. Mr. Husband, have you advised any of the carriers that you had this tonnage available?

A. The railroad companies have always known we have had the tonnage available. They have solicited our business. The Consolidated Freightways apparently have known we have had the tonnage available because they have come to see me, but no other carriers have come in outside of the railroads and Consolidated.

Q. You didn't advise any of the other carriers you had it?

A. Why should I advise them? They are supposed to solicit us, aren't they?

Q. Did you advise them?

A. No; I didn't advise them.

Q. Do you suppose that would have anything to do with the fact that they didn't solicit your business?

A. No; we didn't advise the railroads, but they solicited.

Q. Do you think that the fact that the solicitor didn't know you had any business might have anything to do with the

1695 fact that he didn't solicit your business?

A. I would think that they would be either very ignorant or very much asleep.

Q. Well, in answer to the question, do you think that would have something to do with it?

A. Yes.

Q. What do you ship out of the Yakima Valley?

A. Mostly apples and pears.

Q. Have you used the Railway Express service from Yakima to San Francisco?

A. Railway Express? Not to the best of my knowledge.

Q. Do you know what kind of service they offer between Yakima and San Francisco?

A. No.

Q. You don't know whether that is available or not?

A. No.

Q. Do you know whether the rate situation would have anything to do with whether or not you would use that service?

A. Yes.

Q. Do you know whether the proposed truck service is faster than the Railway Express service?

A. I couldn't say.

Q. In using dry ice, I presume you intend to give the impression that it is cases where the gas comes in contact with the vegetables and causes damage?

1696 A. I do not know what the effect or what chemical action takes place there, but it seems as though it dries out things; that has been my experience with it. But frankly I do not know much about handling cargo. I only know the effects of it, that is all what happens to it.

Q. That would only be in cases where the gas came in direct contact with the vegetables; would it not?

A. I don't know.

Q. You wouldn't expect that the cold temperature created by dry ice would effect the vegetables if the gas didn't come in contact with them, would you?

Mr. SCHAFER. How cold a temperature will your products stand?

The WITNESS. Why, I don't believe they should be chilled below the average cargo—below 34 degrees.

Chairman TERRIL. That isn't an answer to Mr. Jennings' question, however.

Mr. JENNINGS. Cold is cold, but it is induced by mechanical refrigeration, dry ice, wet ice, or any other kind of ice. Providing the gas doesn't get to the commodity——

Chairman TERRIL (interrupting). Did you understand his original question?

The WITNESS. I believe I did. Would you mind reading the original question, again, please?

1697 (Whereupon the question referred to was read by the reporter as follows:

"Q. You wouldn't expect that the cold temperature created by dry ice would effect the vegetables if the gas didn't come in contact with them, would you?")

The WITNESS. I don't believe that it would effect them in that case.

By Mr. JENNINGS:

Q. Do you know of any common carrier who is attempting to haul vegetables with dry ice in the same compartment with the product, with the vegetables?

A. In the same compartment with what?

Q. With the product, with the vegetables?

A. No; I don't.

Mr. JENNINGS. I think that is all.

By Mr. IVERS:

Q. What is your position with this company, Mr. Husband?

A. I am the manager.

Q. You are the manager?

A. Yes, sir.

Q. And where are you located; in Seattle or San Francisco?

A. Seattle.

Q. Now, you say that you have known of the service of Consolidated. Why haven't you used it?

A. In the past we haven't needed it because we have
1698 been able to use—make most of our big shipments out of the northwest.

Q. Well, Consolidated operates in the northwest. Why haven't you used them in the northwest?

A. Because we buy a lot of our merchandise right there in Seattle.

Q. Well, isn't it a fact that the rates that were available to you by other truck carriers were lower than those offered by Consolidated, so you used those other truck carriers with lower rates?

A. No.

Q. That is not true?

A. Will you rephrase that question, please? Do you mean that the rates—that I knew the rates were lower?

Q. Yes; that is what I mean.

A. No; I did not use other truck lines because the rates were lower.

Q. Do you know anything about the produce rate situation between the territories that you have described in the northwest and San Francisco?

A. Very little at this time. All I know is that on minimum quantities it costs a little over a cent per pound to get it down here.

Q. Are you familiar with the fact that there are exempt carriers, that is, carriers who specialize in the handling of fresh fruit and produce who are quoting and hauling into
1699 San Francisco from the northwest on rates lower than those offered by common carriers?

A. No; I didn't.

Q. You didn't know that?
A. No.
Q. Have you ever heard of Wilson Brothers?
A. No; I haven't.
Q. They operate under the name of Refrigerated Transit Service.
A. No; I never heard of the name.
Q. You never heard of them?
A. No.

Mr. IVERS. Now, counsel, for your information, the Los Angeles-Seattle Motor Express does have the right to haul fresh fruit and produce from the Yakima Valley and all points in eastern Washington.

Mr. SCHAFER. Does that also include central and eastern Oregon?

Mr. IVERS. No.

Mr. SCHAFER. Is that an on-call service?

Mr. IVERS. Yes.

By Mr. IVERS:

Q. Now, if it were a fact that there were a number of carriers operating from eastern Washington and eastern Oregon points and specializing in the hauling of fresh fruit and produce, and the rates which they were offering were lower than the rates
1700 which common carriers would offer, and their services as to type of transit were the same, would you utilize the services of the common carriers at the higher rate?
A. If I knew this exempt carrier was absolutely reliable I would use the lower price service, of course.
Q. All right. Now, if your needs have been as aggravated, as you indicate, why is it that you haven't investigated the situation to find out whether or not there are any carriers specializing in this service into San Francisco?
A. This condition that exists with our firm has just come up recently due to the two things which have happened, namely——
Q. (Interrupting.) Well, how recently? I understand what the things are. How recently?
A. Within the last two to three weeks, part of it.
Q. Now, have you had any experience around what is known as Commission Row in Seattle? Have you been around there?
A. Yes, sir.
Q. And have you observed truck carriers in and around Commission Row?
A. Surely.
Q. And hasn't your observation made you conscious of the fact that every day on Commission Row in Seattle there are

produce haulers from California points who are bringing California produce into Commission Row in Seattle?

A. I know that.

1701 Q. And you know also that they are looking for return loads to California on the same products?

A. No; I don't.

Q. Well, wouldn't you naturally have assumed, seeing them there, that they were?

A. My understanding has been, and I know from my own experience, that they take back a different type of cargo than they bring in.

Q. Well, what type of cargo do you think they bring back?

A. I have seen them loaded down, some of them, with tanks, water tanks, and, oh, all kinds of different equipment that I never was interested in enough to investigate, but it was not any perishable cargo.

Q. Well, don't you imagine—wouldn't you conclude if they were hauling perishable cargo north and there was perishable cargo moving south they would be interested in hauling it?

A. Not necessarily. It depends on what is the best pay for them.

Q. Have you ever seen the trucks of Western Truck Lines on Produce Row in Seattle?

A. I probably have, but I do not recall having seen them.

Q. Have you ever seen them in Yakima?

A. No; I don't go to Yakima only once every six or eight months.

Q. Is there anybody else, either in Seattle or in San

1702 Francisco in the same business in which you are engaged?

A. Why, certainly.

Q. How many other concerns are there?

A. I couldn't tell you.

Q. Are there a substantial number?

A. Yes, sir.

Q. Do you know how they are getting their produce hauled?

A. Some of them, most of the big firms are in San Francisco and they get most of their produce around the local districts here, but I understand some of it, of course, comes from over in Arizona or Nevada.

Q. Have you ever heard of Quinn, White & Prince?

A. Yes; they are in Seattle.

Q. Do they deal in products in which you deal?

A. Some of them.

Q. Have you ever tried to find out how they handle their shipments?

A. Yes; I know how they handle their shipments.

Q. What truck lines do they use?
A. I don't know what truck lines; I don't know the name.
Q. Have you ever heard of Pacific Fruit & Produce Company?
A. Why, certainly.
Q. Have you ever investigated what lines, truck lines they use in the transit of their goods from California points to the northwest?
1703 A. No.
Q. You know they do utilize some, don't you?
A. I would imagine so; I don't know anything about their operations.
Q. But you know, as a matter of fact, that there is a large quantity of produce moving by truck between the northwest and California points at the present time?
A. No; I don't know that, that it is moving from the northwest down here.
Q. Or vice versa?
A. It may be vice versa. The chances are it is going north. Coming south I don't believe that exists.
Q. There is a large quantity moving north-bound by truck?
A. Some types of produce.
Q. So that there are carriers that you know of in substantial quantities that are hauling that produce at least north-bound?
A. But most of it, in my opinion, is not refrigerated.
Q. Just answer my question. Is that a fact or not?
A. As you put the question it is a fact, but it is not the whole truth.
Q. All right. Well, now, what is the rest of the truth?
A. Most of that cargo that comes up north is ventilated cargo—it is not refrigerated cargo—such as onions, California potatoes, things of that nature.
Q. What about celery and lettuce, citrus fruits, tomatoes?
1704 A. A lot of that stuff—citrus fruits doesn't move out of San Francisco; it moves out of the south.
Q. Regardless of where it moves from it moves from California?
Mr. SCHAFER. What is the purpose of the question, may I ask? It certainly is not cross.
Mr. IVERS. It isn't? Well, I will submit it.
Mr. SCHAFER. I would like to ask the purpose of the question.
Chairman TERRIL. It seems to me the purpose of the question is very obvious.
Mr. FARRENS. It is very obvious.
Mr. SCHAFER. As to what comes north in various trucks?
Chairman TERRIL. It apparently is to test the credibility of this witness' testimony as to what transportation service is available into and from this territory.

Mr. FARRENS. Sure.

Mr. IVERS. Yes, sir.

Mr. SCHAFER. Go ahead.

Mr. IVERS. Will you read the witness the question?

(The question referred to was read by the reporter as above recorded.)

A. Sure, it moves from California.

By Mr. IVERS:

Q. And celery and lettuce and carrots and other commodities of that kind move under refrigeration, don't they?

1705 A. At times of the year; not at this time of the year, though.

Q. Well, they are not moving at this time of the year; that is the reason for it, isn't it?

A. No; the reason for it is that we have the products up there now and we can beat the California firms.

Q. All right, that is why they are not moving at this time of the year?

A. That is right.

Q. When they do move they move under refrigeration, don't they?

A. Some of them; yes.

Mr. IVERS. I think that is all.

Chairman TERRIL. Before you cross-examine further we will take a few minutes recess.

(Thereupon a short recess was taken after which proceedings were resumed as follows:)

By Mr. FARRENS:

Q. I understood you to say, Mr. Husband, that your commodities which move under refrigeration should not experience a temperature below 34 degrees?

A. The fresh perishable cargo, outside of onions and potatoes, which are handled a little differently; lettuce and celery and cabbage, things like that; yes.

Q. What would happen to that produce if in transit it was subjected to a temperature of 32 degrees or lower?

1706 A. Why, it freezes, and after the cargo is inspected at point of destination and it shows signs of freezing I don't know just exactly what happens to it. I do know that our claims are very severe. If the cargo is not handled properly it runs up to 50 percent of the c. i. f. value many times.

Q. Then, it is just impossible for you to have transportation which would involve the commodity dropping to freezing temperature or below? That wouldn't be adequate for you?

A. No; it would be very dangerous for us.

Q. Let me ask you this: Is the temperature severe in the wintertime in the Wenatchee and Yakima country?

A. It is quite cold up there in the wintertime; yes.

Q. It falls well below freezing?

A. I understand it does. I don't live on that side of the mountain. It is my understanding it does.

Q. They do have zero weather over there occasionally?

A. That is my understanding.

Q. You have never been able to get complete cooperation from the weather man in connection with these emergency shipments that you have to make, have you?

A. No.

Q. Do you also understand that there is zero weather or colder weather in the southern central Oregon country north of Mt. Shasta?

A. I understand that it is very cold there; I don't know.

1707 Q. Now, has this applicant promised you that during the wintertime when this cold weather is prevalent, in addition to getting refrigeration service, you will also get heater service to prevent this damage by freezing?

A. That matter has never been discussed.

Q. You spoke about shipments to Shanghai. Do you view that Shanghai market as one which will be permanent to you?

A. As far as we can see now there will always be some business in Shanghai. All the exporters are doing business, only we do it under a very careful method, an irrevocable letter of credit, of course, but they put up the money and we shipped recently a thousand-dollar order over there.

Q. Well, doesn't it occur to you, Mr. Husband, that the same causes which would make you nervous about shipping on foreign bottoms might also indicate the probability that you would cease to have a market for American produce in Shanghai because of the Japanese policies?

A. Although that is very true, outside of citrus our other produce in Shanghai is for private consumption. Native consumption wouldn't amount to a great deal.

Q. Do you think that Shanghai is going to continue to be a healthy place for Americans in the future?

A. No, I don't.

Q. Well, when the Americans and British are shoved out, and if they are shoved out of Shanghai, your market is going

1708 to cease there, isn't that true?

A. No.

Q. Who are you going to market to then; the Japanese?

A. We will market to the Japanese and Chinese people who can't raise everything over there, some of the things that we raise.

Exam. KEPHART. Well, isn't it possible that a lot of the Americans and French and British and others will still reside there, perhaps under Japanese government, however, and will still be consumers of American goods?

The WITNESS. I feel that to be true.

By Mr. FARRENS:

Q. Well, what is the cause of the Americans, French and English residing in Shanghai?

A. Various business enterprises; usually the idea is to make money.

Q. Yes; and those business enterprises involve in the main dealings with the interior, isn't that true?

A. Not entirely true; no. Much of the dealings that they have is for transshipment to other points. It is merely a central connection point many times, so I understand.

Q. When Japan is taking control of some of the Chinese territories, as they have, isn't it a fact that American business in those areas is practically stopped?

A. No; because American business, even with the Japanese war going on, and even though Japan really controls Shanghai
1709 with her fleet and her army, there is still business existing there and exporters always look at it this way: There is always business ahead.

Exam. KEPHART. Isn't it a further fact our business per capita with the Japanese has been far greater than it has with the Chinese?

The WITNESS. I know that to be true. I know we even trade with the Japanese even though we fight them diplomatically.

By Mr. FARRENS:

Q. You mean in scrap or aviation gas or in produce that you handle?

A. Well, their buying power being restricted they only buy the things they need at this time to keep the war machine going. When that is over it is reasonable to expect some of the business to come back. There are some of the people that want our products.

Q. In the past before this war commenced did you do a substantial business with Japan?

A. We did a reasonably substantial business with Japan; yes; in Kobe mostly.

Q. Now, your testimony with respect to solicitation by carriers rather puzzled me.

A. Yes, sir.

Q. Is it your attitude that regardless of your needs in the transportation field you are not going to patronize any
1710 carrier no matter how efficiently equipped and capable of serving you that carrier might be unless he solicits you?

A. I did not say that I would not patronize him unless he solicited me, but I feel anybody who is after business should solicit a firm who is doing the volume of business that we have always done, particularly since the railroad companies have done that, and Consolidated. I don't see why other people can't spend a little time on us if our volume is worth it.

Q. And your necessities for refrigerated truck transportation to San Francisco have not been sufficient to overcome your prejudice against making investigation of carrier services unless they solicit you, is that the fact?

A. No; that is not an absolute fact as the question is put. The situation is that we have not, until just recenly, been forced to have more adequate transportation down here, and we haven't been too concerned about the movement of freight down here in the past, but we are now concerned about it. That is the reason.

Q. And you have been concerned since February when this navy policy was adopted?

A. No; only partly. The last two or three weeks since our policy has changed regarding the carrying of cargo on American vessels only has had a lot to do with it too.

Q. Now, then, you have made this trip from Seattle to
1711 San Francisco to testify in this case?

A. Yes.

Q. And you made that trip, expended that energy and time in preference to ascertaining in Seattle from the truck carriers who have places of business there whether there is existing truck service available to you?

A. No; although we compete with Otis-McAllister, Connell Bros., John Demartini, and many other firms in San Francisco, we are friendly competitors and I came down here with the express purpose of finding out what were going to do and how they were going to do it, as well as coming down here to testify.

Q. But the situation is such that not having been solicited by other carriers you thought it necessary to come down here to testify and to make an investigation at San Francisco instead of making one at home with the classified advertising in the telephone book available to guide you to make such an investigation; is that the situation?

A. If you don't mind my saying so, I think that is a very leading question. I will try to answer it.

Mr. SCHAFER. Leading questions are all right on cross-examination, Mr. Husband. You go ahead and answer it.

The WITNESS. As I stated before, I came down here for two purposes. I thought that this would be a very convenient
place to put up my problems and find out what it was all
1712 about. I don't claim to be a transportation expert and to know all about how to handle transportation problems.

By Mr. FARRENS:

Q. Would it take a transportation expert to take your Seattle classified telephone directory and look over the truck lines that are there and call them on the telephone and find out what kind of service they could give you, and whether or not the service this applicant is promising you, that you partly came all the way from Seattle to support, is available by other carriers?

A. It wouldn't hurt us to look in the telephone directory as you have outlined. We are in the export business; our problems are mostly taking care of our customers and we feel that other people who are in business, their problem is getting business and they, in other words, it is up to them to make an effort also.

Q. In other words, you are just a little hoity-toity about this solicitation business?

Mr. SCHAFER. Just a minute. Don't get abusive with this witness. If you have any objection about the way the witness is testifying direct your objections to the Board. If he has not found any resident carriers I don't know what inference you can draw from it. Go around looking under warehouses for carriers he has never heard of?

Chairman TERRIL. I think the witness is able to take care of himself.

1713 The WITNESS. I am not afraid. Go ahead. It is all in business; go right ahead.

By Mr. FARRENS:

Q. Yes. You are just a little hoity-toity about this solicitation thing, aren't you, perhaps, to your own detriment in not finding out prior to this time what kind of service was available to you up there in Seattle?

A. No; I don't believe I am.

Mr. FARRENS. That is all.

Chairman TERRIL. Mr. Husband, if a common carrier service, such as is proposed by this applicant is available, made available to you, would you use it as a practical thing when, as a matter of fact, there are exempt carriers in the field who are transporting a large portion of these commodities for other firms in that business at a much lower scale of rate than that of the common carrier?

The WITNESS. Frankly, if I knew that the exempt carrier would give me reliable delivery, you know, in good condition, I would naturally use the lower rate if I could be assured that I could get the cargo down here at the proper time and in proper condition.

Chairman TERRIL. And is the Board to understand that if this large volume of tonnage which you say is available for movement from the northwest to San Francisco is made available that it

would be transported in whole or in what proportion by motor truck?

1714 The WITNESS. Why, I don't believe that—I believe that about half of it would be transported by motor truck. Some of it, of course, would be transported by rail, particularly out of Klamath Falls where we had enough to make up a rail car.

Chairman TERRIL. Would you be able to estimate what portion of it would move by motor truck?

The WITNESS. I would say that approximately 250,000 pounds per month.

Chairman TERRIL. And that, of course, would, on account of the quantity, move in truck or trailer load lots, at least?

The WITNESS. Yes, sir; it would be smaller lots.

Chairman TERRIL. And in such lots you would be able to take advantage of minimum shipment rates?

The WITNESS. Yes; we could in most instances.

By Mr. FARRENS:

Q. I take it that the exempt carriers have failed to solicit you also, is that true?

A. Yes; I don't even know who they are.

Redirect examination by Mr. SCHAFER:

Q. Now, Mr. Husband, if you had known of any regularly scheduled service from these points to San Francisco with equipment enough so that they could be depended upon to take care of say, a fifty thousand pound emergency shipment on four or five hours notice, would you have continued bidding on navy contracts?

1715 A. Yes; if we had had the service.

Q. Can you tell by looking at a truck whether it is a peddler truck or an exempt truck or scheduled or unscheduled or a regular route common carrier?

A. I know nothing about that.

Q. Do you know whether it is insured? Do you know whether exempt carriers are required to have insurance?

A. I don't know anything about the rules or regulations in regard to that.

Q. Would you assume from the fact that more carriers haven't solicited you that there probably are no more carriers who want your business?

Mr. FARRENS. That question is objected to as leading.

Mr. SCHAFER. I will admit it is leading and withdraw it.

The WITNESS. Shall I answer that?

Mr. SCHAFER. No; you can't.

By Mr. SCHAFER:

Q. Do you depend upon a common carrier to take care of your cargo and protect it from freezing as well as spoilage by heat?

A. Yes.

Mr. SCHAFER. That is all.

Board Member BROWN. That is all.

Mr. SCHAFER. Thank you, Mr. Husband.

(Witness excused.)

1716-1717 Q. Do you carry a complete parts line in Seattle?

A. No; we do not.

Q. What do you carry?

A. We carry what we call fast-moving stock, it is stock that is current models that dealers have a demand for constantly. Older models of cars and parts to them are not carried in the Seattle branch.

Q. Where are they carried?

A. Richmond.

Q. Richmond, California?

A. California, that is right.

Q. What in particular is carried in stock at Richmond that is not carried in Seattle?

A. We have got body parts, chassis parts.

Q. And how do they run in weight?

A. Well, they will run—in weight the frames will run around 350 pounds; the fenders will run a little less than that; the axles are quite heavy.

Q. And how many dealers are located in the territory that you serve?

A. 169 dealers.

Q. And when one of your dealers orders a part not in stock at Seattle how do you handle it?

A. We order from Richmond.

Q. Do you ship from Richmond to Seattle, then to the dealer?

1718 A. Direct to the dealer, direct from Richmond to the dealer.

Q. Are you acquainted with the existing service from Richmond to these points in the northwest?

A. Yes, sir.

Q. Where is Richmond with relation to Oakland?

A. Located intermediate to San Francisco going north.

Q. I see. Now, are you familiar with the service which Consolidated is here proposing?

A. Yes, sir.

Q. Do you understand that it will give 24 hours faster service than is presently available to points in eastern Oregon, central and eastern Washington, northern Idaho and western Montana?

A. That is right.

Q. Also to Wenatchee and Coulee Dam?

A. Coulee Dam, Montana.

Q. Will a 24-hour reduction in transit time such as proposed here be of benefit to your company and your dealers?

A. It will be a benefit to us in this way: That it is going to be a saving in time for truck operators, tourists, any units that are broken down.

Q. Do you have many Fords in service at Coulee Dam?

A. We have several Fords in service at Coulee Dam.

Q. Do you have many demands for faster service to Coulee Dam?

A. We have requests from our dealer at Coulee City to
1719 use the truck lines in preference to the railroads on account of the service they can get up there.

Q. The present truck service is third day. Do you know whether that is right?

A. No; I am not familiar with that. I have been requested by the dealer up there to give this service.

Q. Do you know how many dealers you have located in towns directly served by Consolidated who would get the benefit of this reduction in transit time?

A. Approximately 83 towns; about 88 dealers. Some of the towns have more than one dealer.

Q. Yes. And would the rest of your dealers also be benefited?

A. They would be benefited through connecting carriers.

Q. I see. Can you give a rough idea of how many orders per day are shipped from Richmond to these dealers in your territory?

A. Well, we have between 40 and 45 shipments a day, that is, parcel post, express, and freight.

Chairman TERRIL. What percentage of those would you estimate would go by motor truck?

The WITNESS. Well, we would say by motor it would run about 14, 15 a day.

Chairman TERRIL. Excuse me, Mr. Schafer.

By Mr. SCHAFER:

Q. Are these items which are shipped out of Richmond
1720 items which the dealers could carry in stock if they were smart enough and prudent enough?

A. Well, it is—they would be parts that a dealer would carry in stock and he may carry that part in stock for a year or two years before he gets a demand for it.

Q. They are items, then, that he doesn't normally stock?
A. No; he does not.
Q. What did you mean by that answer?
A. Well, we run into different models each year and we run into several models each year and a dealer is not going to carry fenders and body parts for two and three or four years back.
Q. I see. Then, you meant by your answer that these shipments are not items which ordinarily are carried in stock?
A. That is right.
Q. Do you know what percentage of orders might be for repair parts, equipment broken down?
A. No; I couldn't say what the percentage would be on that.
Q. Do you have any idea what percentage of commercial vehicles you have in operation in that territory compared to the passenger vehicles?
A. I would say about 20 percent.
Q. And what purposes are they used for mostly?
A. Well, they are used in all kinds of commercial work, hauling of all kinds.

Q. Now, is the transit time a factor that you consider in
1721 filling these orders out of Richmond?
A. It is.
Q. Why is it important?
A. Well, a fleet operator who has a breakdown, or a tourist who is traveling, is held up that much longer on account of the transit time.
Q. Do you ever use express?
A. Yes, we do.
Q. Why don't you always use it?
A. On account of the expense.
Q. What percentage of your emergency shipments from Richmond to northwest points now move by rail instead of by express because of the express charges?
A. What percentage?
Q. Yes.
A. Well, all of them that are moving by rail are moving on account of the fact of the lower cost by rail rather than by express except in a very few cases.
Q. Have you done business with Consolidated Freightways in the past?
A. We have.
Q. Have you found them to be dependable and reliable?
A. Yes, sir.

Q. And as between that through service by one single
1722 line carrier and a connecting service accomplished by two or three carriers connecting at an interchange point, which do you prefer?

A. We prefer the through carrier.

Q. Why is that?

A. Well, we have a better control of the shipment. In this particular case, the carrier shipping would be located in a branch that we are located in.

Mr. SCHAFER. You may cross-examine.

Mr. HICKSON. No questions.

Cross-examination by Mr. IVERS:

Q. Mr. Nelson, you are located at Seattle?

A. Yes, sir.

Q. Have you been familiar with the service of the Los Angeles-Seattle Motor Express?

A. No, we haven't.

Q. You were solicited by Mr. Davis, the solicitor in Seattle for Los Angeles-Seattle Motor Express within the last six months?

A. That is right.

Q. And you haven't shipped anything by them?

A. No.

Q. Do you know whether your Richmond plant was also solicited by them?

A. That I don't know.

1723 Q. What truck line service have you used?

A. In what way? Out of——

Q. (Interrupting.) Out of Richmond into the territory described?

A. Well, our shipments are made up in such a way that when they are shipped from Richmond they don't show the carrier, but we have used so few of them that I couldn't answer that question as to which one we used.

Q. Have you ever made any check or investigation as to the service that was available to you?

A. You say, have we?

Q. Yes; have you?

A. No.

Q. Your needs have not been sufficiently great that you found it necessary to do so?

A. That is right.

Q. And the transportation services that you have been using, whatever they are, have been sufficiently satisfactory to meet your needs?

A. They have been satisfactory in that, the time element considered, we haven't yet seen a truck operator that would take us up into points east of Seattle and east of Portland that would give us any better service than we were getting at the present time by rail.

Q. Well, have you made any investigation to find out
1724 whether you could?

A. No.

Q. Well then, the answer must be that you haven't needed it sufficiently that you thought it necessary to make such an investigation?

The WITNESS. What is that, again?

Mr. IVERS. Would you read the question?

(The question referred to was read by the reporter.)

A. Well, from our past experience we haven't found a carrier that would give us superior service or faster service.

By Mr. IVERS:

Q. What past experience now; with whom is that past experience?

A. Well, our experience at the present time has been by rail.

Q. Well, have you had any experience with any truck carrier who you found could not give you better service than the service by rail?

A. No.

Q. Therefore, your needs have not been sufficiently great that you found it necessary to investigate to find out whether there was a truck carrier who could give you a service superior to the rail service?

A. Well, our experience in the past in connection with truck service, especially up into our territory there, I would say, has not been as dependable as it could.

Q. Now, that is what I want to know. With whom have you had such experiences?

1725 A. We have contacted—I can't name the carriers at the present time—but we have talked with various truck lines operating in there as to their time schedules.

Q. And have you ever shipped anything over them to find out how they would work?

A. No; we have not.

Q. Is the applicant here making purchases from the Ford Motor Company of equipment?

A. Yes.

Mr. IVERS. That is all.

By Mr. FARRENS:

Q. I was puzzled, Mr. Nelson, about the significance, if any, of counsel's questions to you as to whether or not Ford trucks were operating at the Bonneville Dam, and I would like to know whether or not——

Mr. SCHAFER (interrupting). Coulee Dam.

Mr. FARRENS. Coulee Dam.

By Mr. FARRENS:

I would like to know whether or not the truck operators who are operating at Coulee Dam are operating obsolete Ford trucks, parts for which would not be carried by the dealers?

A. Well, we are not carrying in our branch even parts for the present model; that is, some of the parts.

Q. Well, does it mean, therefore, that the only place where an operator of a fleet of the latest-model Ford trucks is able to get some of his parts is at Richmond?

1726 A. It would be on some particular parts.

Q. Well, what particular parts?

A. Well, we have got frame parts; we have got fenders, but we don't carry in stock running boards.

Q. You mean you haven't got a running board; you haven't got a fender to fit a modern Ford truck north of Richmond?

A. Well, we run all types of fenders; rather, we run all types of trucks.

Q. I just wanted to know what the situation is with respect to running boards and fenders of these modern trucks. Now, I have got a fleet of trucks, we will say, operating at Coulee, or in Seattle, for that matter, and one of the running boards gets damaged or a fender gets damaged, I have got to wait until I get one from Richmond.

A. Well, now, let me see—I wouldn't say that.

Q. I would be awfully surprised if that was the service you were giving the public up there, Mr. Nelson.

A. No; I would say that in that case we would supply our fenders there from the Seattle branch.

Q. As a matter of fact, those fleets that work around Coulee Dam, most of them, take the fenders off, don't they?

A. Well, I couldn't say as to that part of it.

Q. The running boards too?

A. I imagine so.

Mr. FARRENS. That is all.

1727 By Mr. JENNINGS:

Q. Does your company maintain a traffic manager in connection with the Richmond plant?

A. Yes, sir.

Q. Does he route shipments out of here?

A. Yes, sir.

Q. You don't route them out of Seattle?

A. No.

Mr. JENNINGS. Thank you.

The WITNESS. He was not available for this hearing.

Mr. JENNINGS. I see.

Redirect examination by Mr. SCHAFER:

Q. He is on his vacation?

A. Yes, sir.

Q. Have you had any complaint from your agents with respect to the transit time required by the existing carriers?

A. We have requests from dealers for truck shipments due to transit time.

Mr. FARRENS. Due to rail transit time, Mr. Nelson?

The WITNESS. That is true.

Mr. FARRENS. I beg your pardon?

The WITNESS. That is true.

By Mr. SCHAFER:

Q. Are all your dealers entirely satisfied with the existing truck service regardless of the—I mean, as it is today?

1728 Mr. IVERS. I object to that question on the ground that this witness has already testified he didn't ship anything by truck. How could they know whether they were satisfied or not?

By Mr. SCHAFER:

Q. Well, why do you want the service which is proposed here, second morning to Spokane and other points in central and eastern Washington?

A. Well, that is, I think, something similar to the question we had a while ago, due to breakage of equipment and tourists.

Q. Is second morning as compared to third or fourth morning of any value to you?

A. It is to us; yes.

Q. And is it of value to a tourist who is broken down or needs a spare part?

A. That is right.

Mr. SCHAFER. That is all.

The WITNESS. I have got—can I say something myself now?

Chairman TERRIL. If you have anything further to give we will be glad to hear it.

By Mr. SCHAFER:

Q. If you have anything further to state, go ahead.

A. I don't think it has been brought out here—we are not favoring any truck line. In securing operating rights into our territory we are willing to ship over any carrier that

1729 has a permit to ship into our territory.

Chairman TERRIL. If he will give you the service that you require?

The WITNESS. That is right. I don't want to come down here with the idea that we are prejudiced in favor of one particular line.

By Mr. SCHAFER:

Q. In your business you have to be quite cautious about that?

A. Well, we are selling trucks and we can't come out and say we are going to favor one line; we are not going to do that.

Q. What you are interested in, then, I take it, is just service?

A. What we are interested in is service regardless of who gets it, if they get it, the permit to operate.

Chairman TERRIL. And I presume by the same token that if you can get a reasonably prompt service by truck that you will use that over rail?

The WITNESS. Yes; if we can get the service.

Mr. IVERS. You would also like to use a line that buys Ford equipment?

The WITNESS. Well, we like to sell the Fords; that is the way we do business.

Mr. SCHAFER. Thank you, Mr. Nelson.

(Witness excused.)

Mr. SCHAFER. I will call Mr. Carlen.

1730 C. T. CARLEN was sworn and testified as follows:

Direct examination by Mr. SCHAFER:

Q. You are Mr. C. T. Carlen, Parts Manager for Dodge Motor Cars, trucks, buses, Plymouth Motor cars, let's see, for the J. E. French Company?

A. For the J. E. French Company; yes, sir.

Q. And are you also authorized to testify for other parts distributors?

A. Yes; I have received several requests, one from the Chrysler distributor, J. W. McAllister, Incorporated, and then several letters which were addressed to the Chrysler Corporation Parts Division at San Leandro to Mr. Park, which were referred to me because he was going East, and their interests are about similar to ours and he asked that we more or less speak for them. I wouldn't want to claim that we are speaking for the Chrysler Corporation, but rather for these individuals that have turned over these letters to us.

Mr. SCHAFER. I see.

Mr. FARRENS. May I ask the Board if counsel for applicant will be interested in a stipulation to the effect that this witness, if asked the same questions on direct and cross, would give answers to those corresponding to the answers given by the last witness to save time?

1731 Mr. SCHAFER. Well, I think this man's testimony probably is just a little different. I will ask that he adopt what part of the other witness' testimony he can and add anything that he cares to.

Mr. FARRENS. Well, let's assume that that stipulation is made. Are counsel agreeable to that around the table?

Mr. IVERS. Yes.

Mr. JENNINGS. Yes.

Exam. KEPHART. Bring out the differences and then adopt the similar?

Mr. FARRENS. Yes. If there is anything where the situation is different I suggest you direct your attention to that solely.

Mr. SCHAFER. Yes, sir.

By Mr. SCHAFER:

Q. Are all of your parts shipments for Chrysler, Dodge, Plymouth, and De Soto cars made from the San Francisco Bay area?

A. For the Pacific Coast; yes.

Q. You don't have a warehouse in Seattle like Mr. Nelson does?

A. No.

Q. You fill both current models and slow-moving parts and all kinds of parts out of this area?

A. That is right.

1732 Q. Is that quite a substantial business?

A. It is; and, frankly, we have been working to develop that business for a number of years.

Possibly, if I should take the liberty to just quickly describe the set-up it might give you a better idea of the problem that we are up against.

Q. I wish you would, Mr. Carlen.

A. The Chrysler Corporation maintains a base plant at Marysville, Michigan. They have established a depot at San Leandro, California. They have closed depots at Seattle and at Los Angeles and in their stead they have appointed a number of wholesalers, what they term wholesalers—they are key dealers at strategic points, and the wholesaler is absolutely an independent organization.

We are simply a, shall we say, superdealer rather than a portion of the Chrysler Corporation at all.

Naturally, our stocks vary, because in the more populized areas the stocks are larger, more substantial and more varied. We, in the Bay area, being in a strategic location for north and south and west and east shipments have tried to enlarge our responsibilities in stock and stuff like that, and have constantly been writing in all directions trying to develop business.

The principal source of agitation, or the principal hand-
1733 icap in developing business to the north has been the factor of the time consumed.

Now, I have one letter, for example, from Seattle that tells us that one reason why we have not succeeded in getting more busi-

ness from that area is that the time consumed in transportation at a reasonable rate is almost equal to that of a direct shipment from Marysville, Michigan.

Now, frankly, we probably have not investigated all the lines running like that. We are not interested in any particular freight line or anything like that.

We are interested in the point that our markets will be brought closer to us and we will be able to render better service.

Q. Now, if you had a service 24 hours faster than the present truck service and in many instances twice as fast as the rail service from the San Francisco Bay area to the northwest, to the territory described by Mr. Nelson, would that mean that shipments now moving from the East, such as Michigan, you would have a chance to furnish those supplies from the Bay area?

A. We would have a chance to supply them; yes, sir. However, the factory set-up is such that it is more profitable to buy from Marysville. Therefore, all of this business that we are talking about would be rather emergency, that would be break-down parts or parts for stock that has suddenly moved, shall we say,
1734 out of all proportion; that they were cut short and they wanted to get it from the quickest or nearest source, so it would be a supplementary service to the main buying from Marysville.

Q. Marysville, Michigan?

A. Marysville, Michigan; yes, sir. Our efforts are all supplementary to the direct shipment from Marysville.

Q. Would you expect a faster service such as proposed here to increase your movement north-bound?

A. Very decidedly so, because we have many items we have stocked with the idea in mind that if we had transportation facilities that were fast we could sell them.

Q. Does that also benefit your customers?

A. Yes, sir. You take two years ago we didn't—there was not sheet-metal or body parts on the coast for these vehicles and we saw an opportunity to put those in stock, distribute them up and down the coast. That business now is running up as high as fifteen to twenty thousand dollars a year and it was nonexistent before because it was either repaired, bumped out or, well, I don't know how they got by. At least, the business is there, and it has developed solely because we have gone out and advertised that they are here and obviously quicker service would call for more parts.

Q. Now, you heard Mr. Nelson testify with respect to a preference for a through service as compared to a service of con-
1735 necting carriers. If you were asked the same questions on direct and cross-examination would your answers be the same?

A. Yes; I believe substantially so; yes.

Q. And the territory which you serve is substantially the same as that which he described?

A. That is right.

Mr. SCHAFER. You may cross-examine.

Cross-examination by Mr. ROBERTS:

Q. Your principal objection as to expeditious service is to Seattle; is that the point that you are speaking of?

A. No; it would be just generally north.

Q. Into Oregon too?

A. Into all points, shall we say, north of the Oregon line. I am not going to claim that the people that are right close and have been getting almost overnight service, there would be no squawk from that, but these people, if they see an opportunity or a means by which quicker transportation facilities could be made available at reasonable rates, they are very enthusiastic about it.

Now, personally I am enthusiastic about it, and I have received correspondence which I brought with me to prove that our—well, men in similar postitions to myself with these key dealers are begging for a faster means of getting parts.

1736 Q. Have you made any investigation as to the facilities which are afforded by various truck carriers into Oregon?

A. We have, if we have been solicited. As far as we know there is only the Oregon-California Line, or they are the principal one. There may be one or two other minor lines, and we use, oh, many, many carriers; we don't favor any particular one. All we are interested in is a faster service.

Q. Have you made use of Pierce Auto Freight Lines into Oregon?

A. No, sir; I have not heard of them.

Q. Never heard of them?

A. No, sir.

Q. You didn't know they operated a daily through service into Oregon points?

A. No, sir; and to my knowledge no representative of that concern has come offering or asking for any business.

Q. If they offered you a through daily service, would you use that?

A. The shipments that we make are principally collect, therefore, the routing is usually specified by the party ordering it, but on one or two occasions we have had people come in and approach us. We have told them we would be glad to write letters telling of this solicitation and recommending that they make a trial shipment via that line, but we are not authorized to change

1737 the routing unless it is specified by the dealer's order.

Q. Well, as I understand the situation, you are not appearing here for any particular carrier?

A. No, sir.

Q. What you want is expedited service?

A. That is right. I am happy to hear of it, and that is my sole point in appearing.

Mr. ROBERTS. I think that is all.

Mr. HICKSON. No questions.

By Mr. FARRENS:

Q. Your testimony here is given on the premise that there does not now exist into Portland, for example, a service such as is promised by this applicant?

A. Yes, sir.

Q. And that there does not now exist from San Francisco Bay points to Seattle as fast a service as is promised by this applicant?

A. That is right.

Q. That there isn't through carriers between San Francisco Bay and Portland and between San Francisco Bay and Seattle who are furnishing as fast a service as that which is offered by this applicant?

A. It has never been made known to us. We haven't gone to a great deal of trouble to possibly inquire about it. After all, we have other business to attend to. We think that if these
1738 carriers exist that they are being very negligent in not bringing it to our attention because we have been shipping a large amount of materials into that area.

Q. And if your assumptions as to the nonexistance or lack of the service I have just described are incorrect, then your whole testimony here is not based on a sound premise, that is a fact?

A. That is correct; yes, sir.

Chairman TERRIL. Anything further of this witness?

Mr. IVERS. I want to ask a question. Mr. Farrens skipped me here.

By Mr. IVERS:

Q. Were you connected with the Chrysler Parts Corporation at the time it was in operation?

A. Well, I have been with the J. E. French Company for 15 years. I have never been with the Chrysler Corporation.

Q. Well, prior to the time of this change in policy do you know how the Chrysler Parts Corporation was shipping its shipments in this territory and north of here?

A. No; I have no knowledge of how they were doing it. You see, all shipments are made from depots of the Chrysler Corpo-

ration or from dealers like ourselves who act, you might say—we are not authorized to use the term "agent"—but in reality we are agents of the corporation because we sell their vehicles and parts. There is none of us that prepay and obviously the man that is ordering, if he is paying the bill he is going to specify the routing.

1739 Now, since that applies to us, it applies equally, I would imagine, to the San Leandro depot.

Q. At the time when the Chrysler Parts Corporation was maintaining its depots at these various cities they had a traffic manager who was handling their movement?

A. Oh, yes.

Q. Have you ever inquired of him as to whose services he utilized prior to the time that their policy was changed?

A. Well, probably I should not have said they maintained a traffic manager; I assumed they did; I have never met him.

Q. You never have?

A. No.

Q. You made no inquiry?

A. No, not in Seattle and not down south because our main contacts are with these dealers, for example, in Spokane, Seattle, and Portland, and those people solicit or try to serve the areas adjacent thereto. If they secure an order for a part they don't have, they refer it to us; the order originates with these people.

Q. And solicitation of you by the truck lines would not route the freight?

A. No.

Mr. IVERS. That is all.

The WITNESS. However, we would make recommendations.

By Mr. IVERS:

1740 Q. I understand that, but it still would not route the freight unless they followed your recommendations?

A. That is right.

Mr. IVERS. That is all.

Redirect examination by Mr. SCHAFER:

Q. I am confused on this Chrysler Parts Corporation. Is that competitive to you?

A. Yes, sir.

Q. And is it friendly competition?

A. Friendly competition.

Q. And do they try to take business away from you whenever they can?

A. Yes, sir.

Q. They are located where?

A. They are located in San Leandro.

Q. I see; but he authorized you to come and state a need for a faster service also?

A. Yes, sir.

Q. Now, supposing your Spokane contact orders a part which is needed to repair a vehicle in Missoula, Montana, would you ship that direct to Missoula?

A. Yes, sir.

Q. That is true of other points in the territory up there?

A. Yes, sir.

Q. And your testimony is predicated upon the premise that there is not now a service this fast to Spokane, Wenatchee
1741 and such points in this territory?

A. That is right; yes, sir.

Mr. SCHAFER. Thank you very much.

Re-cross-examination by Mr. IVERS:

Q. Mr. Carlen, who is the "he" of the Chrysler Parts Corporation who you referred to that authorized you to testify on their behalf?

A. Mr. Park.

Q. What is his position?

A. He is the Plant Manager.

Q. Plant Manager?

A. At San Leandro.

Mr. IVERS. Thank you.

The WITNESS. I might say I brought these documents along, or correspondence along, if you wish them as evidence.

By Mr. IVERS:

Q. I am not questioning that, Mr. Carlen. I merely wanted to know——

A. (Interrupting.) No; I didn't mean it from that point.

Mr. SCHAFER. State what it is. It may be objectionable.

The WITNESS. Well, they are letters from Dodge, Plymouth, and Chrysler dealers.

Mr. FARRENS. Now, just a moment, Mr. Carlen.

I object to this line of testimony because of the fact that it is not the best evidence, and it deprives protestants' counsel of
1742 any opportunity to examine the men whose statements are contained in the letters.

Chairman TERRIL. I think that is true and they would not be admissible in evidence in this matter.

The WITNESS. Oh, I see.

Redirect examination by Mr. SCHAFER:

Q. Those aren't the letters that authorized you to appear here?

A. They are letters begging me to come.

Q. Oh.

A. They are letters begging me to come, from different people, and there is one here from the McAllister Corporation asking me to appear. They have received several letters themselves.

Mr. FARRENS. Just a moment. I move to strike all this about these letters. We don't know under what representations these letters were caused to be written, all that sort of thing. I move to strike it from the record.

Mr. SCHAFER. I think they are admissible only for the purpose, however, that he is authorized to appear here and make those representations.

Board Member BROWN. Nobody has questioned that.

Mr. IVERS. Nobody has questioned that.

Mr. SCHAFER. That is all. Thank you very much, Mr. Carlen.

(Witness excused.)

1743 Chairman TERRIL. We will take a short recess.

(Thereupon a short recess was taken after which proceedings were resumed as follows:)

Mr. SCHAFER. Mr. King.

F. P. KING, recalled as a witness, testified further as follows:

Mr. SCHAFER. Did you have some more cross before we have direct on this?

Mr. FARRENS. No.

Mr. SCHAFER. I guess, if the Board pleases, there is nothing left but a little redirect from Mr. King.

Chairman TERRIL. All right, let us have it.

Redirect examination by Mr. SCHAFER:

Q. I was interested in your statement made in response to Mr. Farrens' question about getting together around a conference table at Medford and talking over mistakes in rates and such situations. Just how is such a conference called and how formal is it?

A. Well, it is a daily occurrence. We have to make settlements between carriers; we have to pay them on certain shipments; they have to pay us on other shipments.

Q. You are both located there in the same building?

A. Oh, yes.

Q. Same floor?

1744 A. That is right.

Q. Now, do your tariffs show a geographic list of stations which show the proper station order?

A. On the major stations.

Q. On this through equipment moving from San Francisco into the northwest, do you separate the bills at the junction point, or do the bills go right through with the through equipment?

A. They come to us in the through equipment in one package, but we do have to sort out two of the copies.

Q. And does your line manifest the shipments north of Medford, or are they already manifested through from San Francisco?

A. No; all manifesting has to be done at junction point.

Q. I see. Why do you express or mail the bills? Why don't they always come in on the trucks?

A. Well, to do so would be to delay the equipment much more.

Q. Do the bills then get in ahead of the truck?

A. Yes; the through bills, that is, the bills on freight that move through on a through bill arrive in time for us to have them about 8:15 or 8:30 in the morning. That gives us a few hours to work on them and see what we have coming.

Q. That is to save time, you get to work on the bills before the truck is there?

A. That is right.

Q. Now, with respect to this through billing, I believe
1745 you said it took a separate machine at San Francisco for that?

A. Yes.

Q. That would be true anywhere that Oregon-California had to bill its own local shipments and its through shipments on to the lines of Consolidated Freightways?

A. Yes; it would require separate billing.

Q. Would the volume of business available at a point have any bearing on the decision whether to put in an extra billing machine?

A. It would be very costly, I know that.

Q. You say it would be very costly to put in an extra billing machine at every station?

A. Yes; it would.

Q. They can't be billed on the same machine as their local shipments?

A. No.

Q. Why not?

A. Because there are more copies required on the through billing than there are on local billing.

Q. Any different form used?

A. The form of the bills is a little different.

Q. In what respect?

A. The copies have to be set up a little bit differently on a through bill than on a local bill to make it easier for separation.

1746 Q. Does the copy coming on to Consolidated Freight Lines bear the name of Consolidated Freightways; is it printed on to it?

A. Yes.

Q. It is a special printed form?

A. That is right. It takes a special printed form on through billing so that the copies that are kept by one carrier show their names and the copies kept by the other show their name.

Q. Now, you were asked yesterday why an employee of Oregon-California couldn't just look at the map and tell how to load the freight. Could he, for instance, look at that map and tell whether to load Wenatchee or Portland or a Seattle truck?

A. No, no; he could not. He would have to be familiar with our operations as to how we load freight from any junction point. For example, he would have no way of knowing whether we loaded Wenatchee freight at Medford. I am talking about——

Q. (Interrupting.) Now, in your operation I assume that you have to do your work reasonably accurately or else; is that right?

A. That is correct, that is correct.

Q. Could your company enforce any discipline upon Oregon-California employees in the event that they failed to load properly in station order and rate and bill correctly?

A. I tried to bring that out. No, we have no jurisdiction, naturally.

1747 Q. All you can do is tsk them, won't they please do better?

A. That is right.

Chairman TERRIL. Do you say "please" in those cases, Mr. Schafer?

Mr. SCHAFER. Yes.

By Mr. SCHAFER:

Q. Now, with respect to the points suggested by Mr. James in that letter written back in 1938, can you say definitely of your knowledge that all of those suggestions can be made to work?

A. Oh, no; I am not in a position to know.

Q. Have you suggested on your own part and every appropriate occasion improvements that you thought might be made?

A. Oh, yes, I have made suggestions and they have been tried and failed, and other suggestions have been made and failed.

Mr. SCHAFER. I think that is all.

Mr. FARRENS. Just one or two questions on re-cross.

Re-cross-examination by Mr. FARRENS:

Q. You have not adopted the railroad practice of teletyping your freight bills ahead of your equipment?

Mr. SCHAFER. Teletyping?

Mr. FARRENS. Yes.

A. I have never heard of anything like that.

By Mr. FARRENS:

Q. One of the fourteen points mentioned by Mr. James
1748 was the inability of Consolidated to get as much cooperation in the handling of through freight as the employees seem willing to give to the handling of local freight on Consolidated Lines.

Are you one of the employees with whom Mr. James has had difficulty in getting cooperation on through freight equal to the cooperation you give to their local business?

A. I believe I mentioned once before that——

Q. (Interrupting.) Now, just tell me, are you one of those employees or are you not?

A. I am not.

Mr. FARRENS. That is all.

The WITNESS. Because I try to follow the instructions of the management and it is the management's idea that we try to work together.

By Mr. FARRENS:

Q. How about the employees that work under you? Are they employees who do not cooperate equally on through business as on local business of Consolidated Freightways?

A. Oh, yes; they don't cooperate naturally; they think of their own company first, like all employees might.

Q. So you are different from the employees who work under you; you cooperate, but they don't; is that the situation?

A. Well, naturally, I am the leader and I—I have got to show that it is my intention to do all we can to work out our problems.

1749 Q. I understood you correctly, however, in spite of your leadership you can't get cooperation from your employees there at Medford under you on through business equivalent to that which you are able to get on Consolidated local business?

A. That is right.

Q. Do you fire any of them at any time for failing to cooperate?

A. Oh, yes.

Q. Do you always fire them for failure to cooperate?

A. If it gets serious, naturally.

Q. How many men have you fired for failure to cooperate on through business in a manner equal to the cooperation offered on local business?

A. I haven't been in Medford long enough to do any firing yet.

Q. Well, then, you are incorrect in your statement that you do fire them for that reason?

A. I know it is being done.

Q. Where is it being done?

A. All over the system.

Q. I mean just name an instance or two where a man has been fired for failure to give equal cooperation on both parts of business?

A. Well, any company——

Mr. SCHAFER (interrupting). Do you know one way or the other? Answer if you know.

The WITNESS. No; I don't know personally.

1750 By Mr. FARRENS:

Q. You don't know personally of any instance where any employee has been fired?

A. Not at Medford station, I am talking about.

Q. Do you know any place else where an employee has been fired for failure to give equal cooperation on the two types of business?

A. I am not acquainted with what goes on at the other stations.

Q. The fact is instead of men being fired for that reason, as you originally testified, the truth is you don't know of anybody who has been fired for that cause? Is that so?

The WITNESS. May I have that question?

(The question referred to was read by the reporter as above recorded.)

A. Not at Medford station.

By Mr. FARRENS:

Q. Well, do you know anybody any place else that has been fired for that cause?

A. Well, like I just said I don't know what happens at the other stations.

Mr. FARRENS. Can you answer my question?

Mr. SCHAFER. Just answer his question. He asked you whether you know of anybody that has been fired for that cause. Now, that can be answered "yes" or "no."

The WITNESS. No.

Examiner KEPHART. The Commission is after the facts as they are. Evasive answers don't do any good on this record. If

1751 you don't know, so state. If you do, please so state on the record.

Mr. SCHAFER. Read that question back. Give a direct answer. Don't try to engage him in an argument.

Mr. FARRENS. Don't try to run either. You are not arguing; you have been running.

(The question referred to was read by the reporter as above referred to.)

The WITNESS. Yes; I know of one man that at one time was at Medford station.

By Mr. FARRENS:

Q. Who was fired for that cause?

A. Who was not cooperating with Oregon-Nevada-California Fast Freight; later on he was fired.

Q. Well, was he fired for that cause, or do you know?

A. That is the main reason.

Q. Do you know that was the main reason?

A. Yes; I do.

Q. And what was he doing?

A. At the time he was fired?

Q. Yes.

A. He wouldn't follow our instructions to work with Oregon-California Fast Freight when he was at our station.

Q. And was he discharged as an employee of your company at the time when he was working at the Medford station?

1752 A. No; he was fired after he had left the Medford station.

Q. Where was he working at the time he was fired?

A. Grants Pass, Oregon.

Q. Was he fired from his job in Grants Pass, Oregon, for failure to give this cooperation?

A. He followed the same tactics at Grants Pass that he did at Medford.

Q. And just what were those tactics?

A. Not willing to cooperate.

Q. Well, what did he do or fail to do in the matter of cooperating?

A. Well—

Chairman TERRIL. What were some of his faults? That is what Mr. Farrens wants to know.

The WITNESS. Well, he disliked the Oregon-California Fast Freight, and he just wouldn't do anything to help them out.

Board Member BROWN. Why did he dislike them?

The WITNESS. Well, it is just because he felt, I suppose, like a lot of other employees——

Examiner KEPHART (interrupting). Excessive loyalty?

The WITNESS. Yes, sir.

Examiner KEPHART. Really doing harm to his employer?

The WITNESS. He just felt, I suppose——

Mr. SCHAFER (interrupting). Not what you suppose. If you know what he felt tell it clearly. Just answer the

1753 question, these questions directly, Mr. King. You are giving the impression that you are evading something, and I can't understand what you want to evade.

The WITNESS. I am not evading.

By Mr. FARRENS:

Q. Now, on your own employees in Medford presently what specific action of omission or commission have you noted which constitutes a failure to cooperate?

A. Well, naturally they want to look out for the interests of their own company.

Board Member BROWN. Well, in what way? Be specific.

The WITNESS. Oh, little problems that might come up. It is a matter of deciding whether to favor their own company or favor Oregon-California Fast Freight.

Board Member BROWN. How do they have that power?

The WITNESS. In the general routine of their duties.

Board Member BROWN. What do you mean by their "general routine"?

The WITNESS. Oh, for example, say now in settlements, if there is a question as to what is the right amount to settle between companies they are not going to give up naturally—they are going to favor their own company.

Board Member BROWN. Even after you instruct them to be fair?

The WITNESS. Well, of course, after—at any time that a point is brought to my attention I then decide and naturally
1754 because we don't want any fighting between the companies.

By Mr. FARRENS:

Q. Do you find that there is a general dislike among the employees at Medford subordinate to you for Oregon-Nevada-California Fast Freight?

A. Yes; I would say so.

Mr. FARRENS. That is all.

Redirect examination by Mr. SCHAFER:

Q. Has that friction developed since the applications of the two carriers were filed?

A. No.

Q. Did I understand you to say that you now have employees under you at Medford whom you know are not cooperative, are slacking on their work or not moving as fast as they should? In what respect are they? Can you give us a typical example of how an employee fails to cooperate? Does he slow down and make the thing take longer or does he make mistakes on his billing on purpose, or can you tell us something that we can tie to that we can find out what you meant by that answer?

A. I am just trying to think of certain cases.

Q. Do you know of employees working under you at Medford who are in some manner not performing their duties?

A. As far as interline settlements are concerned, that is interline traffic, anything that I notice I naturally call to their attention.

1755 Q. Well, do you now notice anything?

A. Oh, yes.

Q. Well, have you called it to their attention?

A. I called it to their attention.

Q. What was it that you noticed?

A. For example, they might not pay the same attention to answering correspondence, we will say. If I catch that I naturally want the same work done well for Oregon-California as with us; a lax, a general lax, we will say.

Mr. SCHAFER. That is all.

Mr. BEROL. May I ask the witness a few questions?

Chairman TERRIL. Yes.

Re-cross-examination by Mr. BEROL:

Q Mr. King——

Mr. JENNINGS (interrupting). Pardon me. I didn't interrupt Mr. Schafer because he wanted to follow through on that particular line at that time. I don't want to keep going back and forth.

Mr. BEROL. Go ahead.

By Mr. JENNINGS:

Q. You are the agent as I understand, at Medford?

A. Yes.

Q. As such agent you have charge of the office platform and solicitation at that point?

A. Yes, sir.

1756 Q. And does the Oregon-Nevada-California also maintain an agent who performs the same duties for them?

A. Yes.

Q. If you were employed as a joint agent to act impartially for both companies would it be possible for you to eliminate a large part of the difficulty that you are now experiencing in the interchange of freight at that point?

A. I don't think so. I don't believe that would solve the problem.

Q. Well, let me ask you this: Take the matter of checking the freight, would it be necessary to check freight twice if you had a joint agency there, and acting impartially now for both companies?

A. I don't believe a man could act for two companies where such a large volume of business is done. Personally I wouldn't want the job.

Q. Do you believe that there is something——

Mr. SCHAFER (interrupting). Perhaps if you spoke up a little louder, Mr. King, all of these attorneys wouldn't have to sit in your lap.

Can you speak up a little louder, please?

The WITNESS. All right.

By Mr. JENNINGS:

Q. Is there something in the operations of either one or both of these two companies which would prevent having a joint agency?

1757 A. It has been tried and failed.

Q. At Medford?

A. Not at Medford.

Q. Where was it tried?

A. Klamath Falls.

Q. And who operated that joint agency there?

A. I don't remember his name now.

Q. What were the two companies involved?

A. Our company and Oregon-Nevada-California Fast Freight.

Mr. SCHAFER. I can't hear your answers myself.

The WITNESS. Our company and Oregon-Nevada-California Fast Freight.

By Mr. JENNINGS:

Q. You know, do you not, that railroad companies maintain joint agencies?

A. No; I am not familiar with that.

Q. You are not familiar with that?

A. No.

Mr. JENNINGS. That is all.

By Mr. BEROL:

Q. Mr. King, did I correctly understand you to say that your employees, that is, the employees of Consolidated in Medford did not like the Oregon-Nevada-California Fast Freight?

A. Well, not as one man to another. In other words, our men like the Oregon-California men away from business, you understand.

1758 Q. Personally you like them?

A. Personally; naturally.

Q. But do I take it, then, that your statement implies that from a business standpoint you don't like them?

A. Oh, yes, surely, this is all business.

Q. Now, tell me, there has been some testimony either in this record or the prior record that the volume of freight interchanged at Medford is probably approximately 80 percent that originates

by the Oregon-Nevada-California Fast Freight and 20 percent that originates by your company.

A. That is correct.

Q. That is substantially correct, isn't it?

A. I haven't the figures, but——

Q. (Interrupting.) Substantially?

A. That is right.

Q. Now, Mr. King, are you telling me that from a business standpoint, not personal, but only business, you folks don't like the people that give you four times as much business as you give them?

A. Well, I don't think that the business part of it enters into the picture. I think—I presently believe what causes that is the volume of the freight and the troubles that we have at the interchange point, the transferring and the settlements, and it causes little frictions.

1759 Q. In other words, is it due to a difference of policy between the two companies?

A. Oh, naturally that has a lot to do with it absolutely.

Q. Is it due to the two differences of desiring to handle freight or to do business that accounts for it?

A. Each company has separate ways of doing business.

Q. Now, you are not here saying that the reason that you don't like the Oregon-Nevada-California Fast Freight is because they are less efficient or less competent than you are?

A. I wouldn't say that.

Q. You wouldn't say that. Would you say, insofar as general efficiency and competency is concerned, that the Oregon-Nevada-California Fast Freight is at least as efficient and competent as your company?

A. I would say so.

Q. You would say so?

A. I would say so as man to man.

Q. So that the reason for the dislike comes about between or by reason of the larger volume of transactions that occurred between the two companies?

A. That is right.

Q. I take it, Mr. King, that because the Oregon-Nevada-California Fast Freight gives your company approximately four times as much traffic as you give them there would be four times as many instances where they might, so to speak, get into your hair

1760 compared with the times when you, so to speak, would get in their hair?

A. Possibly.

Q. Is that substantially right?

A. Yes.

Q. I take it there would be probably four times as many instances where occasion might arise for your disliking them as compared with any dislike they might have for you?

A. Yes.

Mr. BEROL. I think that is all.

Redirect examination by Mr. SCHAFER:

Q. Now, is one of the sources of mistakes of friction, I might say, the tendency to blame mistakes on each other?

A. Oh, certainly; that is true.

Q. And is there any buck passing to account for the mistakes that are made?

A. Naturally there is a lot of buck passing. It is up to Mr. Gritsch and I to try to iron out these little difficulties.

Mr. SCHAFER. Thank you.

Re-cross-examination by Mr. FARRENS:

Q. One thing a joint agency would accomplish would be to leave nobody to blame anybody else at that point of interchange; is that true?

A. I couldn't say. I have never had any experience at such an agency.

1761 Chairman TERRIL. Is that all of this witness?

Mr. SCHAFER. That is all.

(Witness excused.)

Chairman TERRIL. Do you have another witness available, Mr. Schafer?

Mr. SCHAFER. That is all I have. I will try to get another witness here by 1:30.

Examiner KEPHART. Before you get away, please, I have just received a telegram that my Tuesday case in Los Angeles is cancelled, so that I will have Los Angeles free.

Is there any possibility that you would be able to adjourn this case until Monday morning and do considerable of it Monday and Tuesday?

Mr. ROBERTS. Not with us.

Mr. FARRENS. No; I couldn't.

Mr. IVERS. I couldn't. I could have done so three or four days ago, but a situation has developed whereby I must be in Seattle and I am leaving on the plane.

Examiner KEPHART. Who could not appear Monday?

(Showing of hands.)

Mr. Farrens, Mr. Jennings, Mr. Ivers, Mr. Schafer, Mr. Roberts, Mr. Ellis.

Mr. IVERS. I happen to know Mr. Hickson could not be present either.

Board Member BROWN. He so stated yesterday. Let that
1762 show on the record.

Chairman TERRIL. We will adjourn at this time until 1:30 o'clock.

(Whereupon, at 11:45 a. m. adjourned until 1:30 p. m.)

1763 AFTERNOON SESSION, 1:30 P. M.

Chairman TERRIL. You may proceed.

Mr. PERRY. The Medford-Crescent City Truck Lines has been entered in this case as an intervener. We now wish to change our position and make known our exact position which will be as a protestant.

Mr. HICKSON. Are you ready to proceed?

Chairman TERRIL. Yes.

1812 We will take a short recess.

(Thereupon a short recess was taken after which proceedings were resumed as follows:)

Board Member BROWN. The Commission will be in order.

Mr. SCHAFER. Mr. Hicks.

J. L. HICKS was sworn, and testified as follows:

Direct examination by Mr. SCHAFER:

Q. Give your name to the reporter, please.

A. J. L. Hicks, H-i-c-k-s.

Q. Of the Hicks Grocery Service, Klamath Falls, Oregon?

A. That is right.

Q. Will you explain the operations of the Hicks Grocery Service?

A. We are in the wholesale specialty business; we distribute specialty wholesale groceries to stores and our service requires the use of smaller equipment, smaller trucks for delivering merchandise to these stores in the area surrounding our warehouses.

Q. Where do you have warehouses?

A. We have warehouses at Klamath Falls, Bend, Redding, and Alturas, California.

Q. Do you have any at Bend, Lakeview, or Burns?

1813 A. Bend, Oregon, yes; I mentioned Bend, Oregon.

Q. Do you have one in Lakeview?

A. No; not a warehouse.

Q. Do you have any sales in Lakeview?

A. Oh, yes; we have sales in Lakeview and we ship into Lakeview and pick up with one of our trucks in Lakeview, but we don't warehouse in Lakeview.

Q. Where do you buy your goods, please, Mr. Hicks?

A. Mostly from San Francisco, Seattle, and Portland.

Q. How does the volume which you buy from San Francisco compare to your purchases from Seattle and Portland?

A. Considerably more.

Q. Have you a record of your volume there?

A. I have an estimated record of the tonnage from Portland to our Redding branch; it is 30,000 pounds; and to our Alturas branch, 10,000 pounds monthly. From Seattle to our Klamath Falls branch is 10,000 pounds; Bend branch, 5,000 pounds; Redding branch, approximately 10,000 pounds; and Alturas branch, 10,000 pounds; from San Francisco to our Klamath Falls warehouse, 150,000; to Lakeview, about 20,000 pounds; to Bend, about 75 or 80,000; and to Burns, about 20,000.

Q. Are you familiar with the service that Consolidated is here proposing?

A. I believe I am; yes.

Q. What is your understanding of what that service will be?

1814 A. As I understand it—you mean where it will benefit us, I take it?

Q. Well, yes; go ahead on that basis.

A. Where we are interested in this new service is to our Lakeview and Bend branches from San Francisco warehouse in particular and our freight from the north into our California branches, such as Dunsmuir and Redding and Alturas.

Q. Do you have a connection out of Klamath Falls which would enable you to connect with the service which Consolidated proposes from Seattle through Klamath Falls in order to render a service to Alturas?

A. Yes, sir.

Q. You understand that there is——

A. (Interrupting.) Yes, sir; there is a connecting carrier there that would benefit us.

Q. You understand that Consolidated is not proposing here to operate into Alturas?

A. Yes, I do; that would be Laird Transfer.

Q. Is transit time a factor in your business?

A. It is a big factor in our business; yes.

Q. In what way is it important?

A. In that we carry definitely perishable merchandise and order in small quantities and turn over rapidly and directly.

Q. And can you state generally any need which your

1815 company might feel for the expedited service which is here proposed?

A. To those points I mentioned where I was particularly interested, in Bend and Burns and Lakeview, those points. The

service now available is not at all satisfactory due to the time involved in getting the shipments.

Q. What service do you get from Portland or from San Francisco to Lakeview now, do you know?

A. San Francisco to Lakeview now? If the connecting carrier doesn't make a slip it is next noon delivery, second or—no; next noon delivery, second noon delivery; excuse me.

Q. Second noon delivery?

A. Yes; second day at noon delivery.

Q. And you understand that the proposal is to make that first noon?

A. That is right, as I understand it.

Q. What service do you enjoy from Portland to Lakeview; do you know that?

A. Portland to Lakeview at the present time is first noon, first noon delivery, yes.

Q. And the mileage from Portland to Lakeview is about the same as it is from San Francisco to Lakeview?

A. There would be a little bit—approximately 20 to 30 miles further from San Francisco.

Q. What service do you now use?

A. Into Lakeview?

1816 Q. Yes; or to your various points?

A. The service now being used mostly is Oregon-California.

Q. Do you find that satisfactory?

A. Our big trouble is that Oregon-California will not transfer a shipment ordered via Consolidated into any of our points. We never get the transfer as requested. It is sent on by a competing carrier, and sometimes the shipment is not only delayed, but we have much difficulty in tracing shipments because of that reason.

Q. You mean by that, that Oregon-California connects with various carriers at Klamath Falls?

A. No; they use one carrier only; it is the Bend-Portland going north; that is the carrier they use.

Q. Have you used Consolidated Freightways from other origins, such as Portland to Klamath Falls?

A. We have used Consolidated Freightways some eight years now.

Q. Do you find them dependable and satisfactory?

A. Very.

Q. What effect would an improvement in transit time have upon your business and your buying practices?

A. Well, it would naturally be of benefit to be able to rush shipments in. In many instances, due to fault in shipment, we

might lose business through not having the merchandise available to sell.

Q. Now, in your experience in the grocery business, have you formed any preference one way or the other for a through single line service as compared to a connecting line service or joint service?

1817

A. Well, we find always that the through service is more satisfactory; that is, as a rule, it is more satisfactory.

Q. Is there any direct motor-carrier service known to you between San Francisco and Klamath Falls other than Oregon-California Fast Freight?

A. San Francisco to Klamath Falls?

Q. Yes.

A. Southern Pacific.

Q. Do you know of any motor-carrier service other than Oregon-California?

A. No; I don't know of any. I just heard that there was one, however.

Q. You didn't know of Reymers' operation at all?

A. No; not until I was questioned about it today. I might state that I knew Reymers had a service to Sprague River, from Klamath Falls to Sprague River.

Q. You mentioned having designated Consolidated Freightways on your routing from Klamath Falls and the fact that the Oregon-California Line would turn it over to some other carrier at Bend. Is that a frequent occurrence?

A. At Klamath Falls?

Q. At Klamath Falls.

A. Yes; that is not only frequent, but that is the only way they seem to handle those shipments for us. They never turn them over to Consolidated.

1818

Q. Your routings are not honored?

A. That is right.

Mr. FARRENS. May I inquire at this point if counsel expects to be bound by the testimony of this witness, that his line doesn't interchange freight at Klamath Falls with O. N. C.? That is the witness' testimony. Do you expect to be bound by it?

Mr. BEROL. I don't understand that counsel is calling the witness as an adverse witness. Consequently, I should think he would be bound by the testimony.

Mr. FARRENS. I think that is right.

Board Member BROWN. Go ahead.

Mr. SCHAFER. I am finished. You may cross-examine.

Mr. BEROL. Well, I have been excused earlier in the day. I presume I am technically absent.

I wonder if I could have permission to ask this witness a few questions.

Board Member BROWN. Why, of course.

Cross-examination by Mr. BEROL:

Q. Now, Mr. Hicks, did I understand your testimony that the Oregon-Nevada-California Fast Freight takes freight on
1819 your behalf from San Francisco to Klamath Falls and then turns it over to the Bend-Portland instead of Consolidated?

A. That is right; yes.

Q. How long a time has that been occurring?

A. I believe our trouble started at the time that the Oregon-California and the Bend-Portland warehouses were consolidated.

Q. How long ago was that?

A. Well, I think the trouble first started approximately six months ago, to my knowledge.

Q. When these shipments leave San Francisco, are you the shipper or somebody else the shipper?

A. We are not the shipper.

Q. Is the consignor here, as a rule, the shipper?

A. That is right.

Q. And who pays the freight?

A. In many instances the freight is prepaid on most of our merchandise.

Q. Now, when the freight is prepaid, Mr. Hicks, does the bill of lading indicate the routing by Oregon-California Fast Freight and by the carrier beyond Klamath Falls?

A. The waybill does state that.

Q. It does state that?

A. In these instances I refer to; yes.

Q. Now, Mr. Hicks, have you any waybills or any bills of lading?

A. I think I have one with me; I brought one.

1820 Q. Or any documents here that show that kind of routing wherein you indicate that the Oregon-Nevada-California Fast Freight did not respect the routing?

A. I brought one with me only. I didn't know that it was necessary to bring much.

Q. Let me see it, please.

A. (Handing document to Mr. Berol.) That happened to go to Redmond, Oregon. It was the last one we had.

Q. Now, where is Redmond, Oregon, located?

A. About 27 miles north of Bend, Oregon.

Q. This document that you have handed me is apparently a bill of lading from the Durkee Famous Foods consigned to the Erickson Food Store at Redmond routed via Consolidated Freightways.

A. That is right.

Q. Now, Mr. Hicks, where do you reside?

A. Klamath Falls.

Q. And are you generally in Klamath Falls or are you generally elsewhere?

A. Mostly at Klamath Falls.

Q. Mostly in Klamath Falls?

A. That is right.

Q. Does Mrs. Hicks reside in Klamath Falls?

A. Yes.

Q. Does Mrs. Hicks have any part in the determination
1821 of the movement of these shipments?

A. I don't know just how you mean that question.

Q. Does she have any conferences or does she have any discussions with either the Oregon-Nevada-California Fast Freight or Consolidated or Bend-Portland in Klamath Falls with respect to the movement of any of these shipments?

A. Yes, yes.

Q. And isn't it a fact, Mr. Hicks, that she frequently confers with the Oregon-Nevada-California Fast Freight, with Consolidated, and with the Bend-Portland regarding the transportation of your shipments?

A. That is right.

Q. And isn't it further a fact that frequently she gives instructions to the Oregon-Nevada-California Fast Freight or to Consolidated or to Bend-Portland as to how your shipments shall be moved?

A. That is right.

Q. Now, are you prepared to state, Mr. Hicks, that with respect to these instances where you state that the Oregon-Nevada-California Fast Freight have moved your shipments over Bend-Portland rather than Consolidated that Mrs. Hicks did not authorize and instruct the movements?

A. Absolutely, yes; and we have more run-ins with your—with the management at Klamath Falls over that one thing than I believe anything else.

1822 Q. Now, let me see if I understand your testimony. Is it your testimony that Mrs. Hicks has not given the Oregon-Nevada-California Fast Freight instructions to move shipments over Bend-Portland?

A. Absolutely; we have never given that instruction.

Q. You have not?

A. We have never given it.

Q. Have you ever had any shipments moved over the Bend-Portland Line?

A. In which direction?

Q. Any direction?

A. Yes, sir.

Q. And have those movements been pursuant to the instructions of Mrs. Hicks at any time?

A. At some times; yes.

Q. They have been?

A. Yes.

Q. Now, are you prepared to state, Mr. Hicks, with respect to the particular shipment from the Durkee Famous Food Company we have just discussed that Mrs. Hicks did not instruct the Oregon-Nevada-California Fast Freight——

A. (Interrupting.) Absolutely.

Q. (Continuing.) To place that with the Bend-Portland?

A. Absolutely; I was there.

Q. Absolutely she did or did not?

1823 A. She did not. I was there at the time we were discussing it, trying to trace the shipment to find out if it had arrived at Redmond.

Q. Is it further your statement under no circumstances has Mrs. Hicks eve rinstructed the Oregon-Nevada-California Fast Freight to move shipments via Bend-Portland?

A. That is right. She has never instructed them to move freight in that manner.

Q. Now, have there been instances where freight has been moved originating over the lines of the Oregon-Nevada-California Fast Freight to Klamath Falls, destined beyond Klamath Falls where the routing was not specified beyond?

A. (No response.)

Q. Do you understand the question, Mr. Hicks?

A. I don't know whether I fully understand.

Board Member BROWN. Read the question.

(The question referred to was read by the reporter, as above recorded.)

The WITNESS. Yes.

By Mr. BEROL:

Q. That does happen?

A. That does happen.

Q. And as to those instances are you objecting to the Oregon-Nevada-California Fast Freight using their own discretion in the routing beyond Klamath Falls?

1824 A. We have definitely asked the manager of the Oregon-California Fast Freight in Klamath Falls always to route our merchandise via Consolidated from that point north and those instructions were never carried out, only in two or three different instances, to my knowledge.

Q. Now, who is the agent of the Oregon-Nevada-California Fast Freight at Klamath Falls with whom you have had such discussions?

A. Bob Robbins is the name I know him under.

Q. Bob Robbins?

A. That is right.

Q. When is the last time that you have discussed such matters with him?

A. We had quite a discussion at the time this particular instance occurred; that was the last time.

Q. Now, let me ask you, Mr. Hicks: Have you always been present when Mrs. Hicks was having discussions with Mr. Robbins regarding the shipments?

A. There might have been discussions when I was not present, but I don't know, of course, because I am not there all such times.

Q. At such discussions when you were not present you don't know what took place at those discussions?

A. I know just what the instructions would have been had instructions been given.

Q. You mean had instructions been given by you?

A. By my wife too.

1825 Q. You are not here telling this Board too that you know exactly what the nature of the discussions between Mr. Robbins and Mrs. Hicks were?

A. I didn't say that. I said if instructions were given with reference how to handle our freight I know how they were given because that is my wishes.

Q. I am asking you if you were present, whether you know as to what took place in these discussions between Mrs. Hicks and Mr. Robbins?

A. I just answered that question, I believe, that I was present at the ones I know of, but not the ones I don't know of.

Q. I am talking about the ones at which you were not present.

Mr. SCHAFER. Just a minute.

The WITNESS. I don't know how to answer it myself.

By Mr. BEROL:

Q. Now, Mr. Hicks, isn't it a fact that if you were given the choice of a second-day delivery to Lakeview by Consolidated and a first-day delivery to Lakeview by some other carrier, saving approximately 24 hours, you would still prefer Consolidated?

A. That is if I was certain that the carrier was able to give that type of service I would give it to the carrier who could give that service definitely.

Q. You would?

A. Yes.

Q. Did Consolidated advise you that another carrier here
1826 is proposing a first-day service into Lakeview?

A. I believe they mentioned it; yes.

Q. Do you still prefer Consolidated over that other proposition?

A. I would ship Consolidated until we certainly had proof that the other carrier could compete with the service of Consolidated; yes.

Q. And by "compete with the service" you mean what, delivered in the same time?

A. At the same time, yes; or nearly so.

Q. What proof would you require if you were advised that they were going to be in a position to deliver a day earlier in order to use the service?

A. We are in a position to know approximately when the trucks get into these various points.

Mr. SCHAFER. Just a moment. Mr. Berol, you are under a misapprehension. The proposals of Consolidated are first noon Lakeview.

The WITNESS. That is right.

Mr. BEROL. I think that is all.

Board Member BROWN. Any other questions of this witness?

By Mr. FARRENS:

Q. When did you arrive in San Francisco on this trip?

A. Last night about 7:30, I believe.

Q. When are you going home?

1827 A. Next week sometime; I don't know for sure.

Q. Have you seen the Fair?

A. No.

Q. Do you expect to see it?

A. Not this time; no.

Mr. FARRENS. That is all.

Mr. SCHAFER. Thank you very much, Mr. Hicks.

(Witness excused.)

1881 Chairman TERRIL. The reporter will let the record show that this proceeding will be continued at a time and place to be fixed by the Interstate Commerce Commission.

(Whereupon, at 5:00 p. m. August 10, 1940, the hearing was adjourned to a time and place to be set by the Commission.)

1882 Before the Interstate Commerce Commission

Docket No. MC 42487 (Sub. No. 15)

In the matter of the Application, as amended, of Consolidated Freightways, Inc., of 2029 North West Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form

BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, over the following routes:

Route No. 1—Between San Francisco, Calif., and Medford, Oreg., via Arbuckle, Calif.

Route No. 2—Between San Francisco, Calif., and Klamath Falls, Oreg., via Arbuckle and Weed, Calif.

Route No. 3—Between the junction of U. S. Highway 40 with U. S. Highway 99W (West of Davis, Calif.) and Redding, Calif., via Marysville, Calif.

Route No. 4—Between Redding, Calif., and Lakeview, Oreg.

Route No. 5—Between Goshen, Oreg., and the junction of Oregon Highway 58 with U. S. Highway 97 near Crescent, Oreg.

Route No. 6—Between Marshfield, Oreg., and San Francisco, Calif., via Eureka and Santa Rosa, Calif.

1883 Docket No. MC 42487 (Sub. No. 18)

In the matter of the application of Consolidated Freightways, Inc., of 2029 N. W. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate, in the States of California and Oregon, between San Francisco, Calif., and Ontario, Oreg., via Woodland, Williams, and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

Docket No. MC 42487 (Sub. No. 19)

In the matter of the application of Consolidated Freightways, Inc., of 2029 N. W. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Marshfield, Oreg.

Docket No. MC 42487 (Sub. No. 20)

In the matter of the application of Consolidated Freightways, Inc., of 2029 N. W. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Fran-

cisco, Calif., and Medford, Oreg., via Woodland, Williams, and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

1884

SAN FRANCISCO, CALIFORNIA,
October 15, 1940, 10:05 A. M.

Before Joint Board No. 11: C. T. Terril, Chairman; Warren K. Brown, H. L. Hanback, Examiner.

Hearing resumed.

Appearances: Same as heretofore noted.

Additional Appearances: Arthur H. Glanz, 111 West Seventh Street, Los Angeles, California, appearing for Colleti Fast Freight, Protestant.

Jackson W. Kendall, 1335 South Figueroa Street, Los Angeles, California, appearing for California Van & Storage Association, Protestant.

Clair W. MacLeod, Balfour Building, San Francisco, California, appearing for Transcontinental Contract Carriers, Protestant.

PROCEEDINGS

Chairman TERRIL. Let us be in order, gentlemen. We will proceed.

The Interstate Commerce Commission has assigned for further hearing at this time and place No. MC 9115, Sub. No. 1, the same being the application of Oregon-Nevada-California Fast
1885 Freight, Inc. of San Francisco, California, to be heard before Joint Board No. 5, which consists of representatives of the States of Washington, Oregon, and California; State of Washington today being represented by Joseph Starin, Attorney, representing the Washington Department of Public Service; C. T. Terril, Attorney-Examiner, representing the Public Utilities Commission of the State of Oregon; Warren K. Brown of California, representing the Railroad Commission. Mr. Brown is not present at this time, but will be here later, I understand; and H. L. Hanback, Examiner, representing the Interstate Commerce Commission, being present to assist the Joint Board in the development of the record.

There is likewise assigned at this time and place for further hearing the application of Consolidated Freightways, Inc., of

Portland, Oregon, MC 42487, Sub. Nos. 15, 18, 19, and 20; is that correct, Mr. Schafer?

Mr. SCHAFER. Yes.

Chairman TERRIL (continuing). The same being heard before Joint Board No. 11, consisting of the representatives of Oregon and California. The State of California is represented by Warren K. Brown of the California Railroad Commission. Oregon Public Utilities Commission is represented by C. T. Terril, Attorney-Examiner; and H. L. Hanback, Examiner, represents the Interstate Commerce Commission to assist in the development of the record.

Are there any appearances to be entered in either of these
1886 matters which were not entered at the previous hearing?

Mr. GLANZ. I would like to enter an appearance for Colletti Fast Freight, the business owned and operated by A. Colletti. My name is Arthur H. Glanz, 111 West Seventh Street, Los Angeles, California. I have been admitted to practice before the Commission. Colletti Fast Freight appears as a protestant in both cases.

Chairman TERRIL. Any other appearances?

Mr. KENDALL. Jackson W. Kendall, 1335 South Figueroa Street, Los Angeles, California; appearing for the California Van & Storage Association in my executive capacity as Chairman of the Committee on Regulatory Affairs. I have not been admitted to practice before the Commission, but am a duly authorized officer of the Association.

Chairman TERRIL. You are appearing in which case?

Mr. KENDALL. We are appearing in the matter of Consolidated Freightways, having heretofore made an appearance in the other case. The appearance today is in protest to the inclusion, if such may be deemed to be included in the application, of the transportation of household goods. And in the event applicant desires to withdraw specifically household goods from their application our protest will be withdrawn and our appearance may be as an interested party.

Chairman TERRIL. Are there any other additional appearances?

1887 Mr. MACLEOD. Clair W. MacLeod. I would like to make an additional appearance for John Paulsen and S. H. Peterson, doing business as Transcontinental Contract Carriers, as a protestant to the application of Consolidated Freightways, Inc., I believe Sub. Nos. 15 and 19, or at least those sub. numbers pertaining to U. S. Highway 101. No appearance is being entered in the application of Oregon-Nevada-California Fast Freight. I am duly admitted to practice before the Commission.

Chairman TERRIL. Inasmuch as Mr. Hanback is new on the case it might be of some assistance to him—I don't know that it needs to be on the record—if we go around the table here so that he has everybody located; and also Mr. Starin, who is also new on the case.

It might be off the record.

(Remarks outside the record.)

Chairman TERRIL. Do we have all the additional appearances? (No response.)

If so, we are ready to proceed, gentlemen.

Mr. BEROL. Mr. Examiner, if the Joint Board Members please, it will be recalled that at the conclusion of the last hearing we had some considerable number of shipper witnesses who had not yet been heard. Now, a number of them are here today. I recognize that hearings in this case will be running about like Tennyson's brook and I don't want to unduly continue it. I
1888 think we had some discussions with counsel at the prior hearing that I might this morning put on some four or five shipper witnesses and have other shippers who are present, whose problems are similar to those that testify, be stipulated that their testimony would be substantially the same on direct examination and cross-examination as these few shippers that I intend to put on.

Now, if it could be understood that we could proceed in that manner I could conclude by noon and, therefore, save a considerable amount of time.

Mr. FARRENS. If the Board please, as far as I am concerned, I am not in a position to say in advance of hearing testimony of witnesses that I will stipulate that the testimony of other witnesses will be the same if called. As far as taking time until noon or further time by the applicants, who have already had, I think, about two weeks apiece on this case. There are assigned four available days for the testimony of all protestants in this case. I want to put the Board on notice, of such opportunity as I have had to survey what the protestants propose to put in will occupy every hour of those four days, and that this case will not be concluded if time is taken for considerable testimony by the applicants.

Mr. SCHAFER. I might state our position: Aside from recalling Mr. Weisler for cross; which was deferred, and introducing a few exhibits, ruling on which was deferred, we have no further case
on direct. It will be recalled that in the hope of speeding up
1889 these proceedings and concluding the case two months ago we turned away a number of public witnesses, and that is all that remains of our case. However, I would like to put that in after the public witnesses.

Chairman TERRIL. I think the Joint Board has previously made known its attitude in this matter, which is that all parties will be accorded a reasonable opportunity to present their side of the case as far as the Board is concerned. And if it is not completed here it will probably have to go to some other time again. But we will do our best to get it all in.

Mr. BEROL. I might state this: That I am far more anxious to have this proceeding completed this week in its finality than I am in putting any considerable number of additional shipper witnesses on the stand. While these witnesses are here and present in the courtroom at the present time, I shall refrain from calling them beyond the noon recess if that will enable protestants to complete their showing at this week's proceedings.

Mr. FARRENS. I don't know that I can speak for all of the protestants. Perhaps other counsel should express their views, but I do not believe that the protestants could put in their testimony in rebuttal of cases which have occupied nearly a month in less than the four days allotted.

I would like to know what counsel think about it on this side of the table.

1890 Mr. ELLIS. That expresses my views in the matter very definitely. I think that four days for protestants is the very minimum and perhaps more nearly five will be required.

Mr. KENDALL. I would like to state that my testimony will amount to about ten minutes and that is all I will have to put in, and if I can sandwich that any time in between I will appreciate it very much.

Mr. IVERS. I agree with Mr. Farrens and Mr. Ellis as to their estimate of what time will be required.

Mr. BEROL. I am ready to proceed. We do not seem to be making much progress.

Chairman TERRIL. I suggest we proceed. We will deal with the time element when it arrives, I guess. That is the only thing to do.

(Here followed an interruption in the above-entitled matter to proceed with Docket No. MC 9115 (Sub. No. 1) in the matter of the application, as amended, of Oregon-Nevada-California Fast Freight, Inc.)

1891 AFTERNOON SESSION—2:10 p. m.

Chairman TERRIL. We will be in order, gentlemen.

Mr. SCHAFER. Is it the wish of the Board that we now put on Mr. Weisler?

Chairman TERRIL. I will leave that up to you. That will complete your case, will it not, Mr. Schafer?

Mr. SCHAFER. Yes; on direct.

Chairman TERRIL. Yes.

Mr. SCHAFER. Mr. Weisler's cross-examination was deferred.

Chairman TERRIL. Off the record.

(Remarks outside the record.)

Chairman TERRIL. We are now proceeding on the Consolidated application.

Mr. FARRENS. If the Board please, I am suggesting that this question of Protestants' witnesses beginning at this time and Protestants' evidence beginning at this time be handled in these two cases, the present case, which is the Consolidated case, and the O. N. C. application, which will also be heard here, in this fashion: That we proceed with the opening of the Oregon-Nevada-California Fast Freight case, MC 9115, Sub. No. 1, and that Protestants' evidence henceforth offered be received in that case; and that we then open the Consolidated case, or, perhaps, we should accomplish it in the Consolidated case right now and agree

1892 that the testimony offered in the O. N. C. case shall be made a part of the record in the Consolidated case by reference based on stipulation of counsel in the Consolidated case.

I am suggesting that at this time in the Consolidated case so that we may have an expression from all counsel present and represented in this case as to whether that procedure is agreeable.

Mr. BEROL. I am willing to so stipulate.

Mr. SCHAFER. For Consolidated I will stipulate that Protestants' case will be equally applicable in the Oreon-Nevada-California case and our case.

Mr. FARRENS. And may be incorporated by reference without recopying?

Mr. SCHAFER. I will make it a point to be here and cross-examine those witnesses just as though they were being offered in our case.

Mr. FARRENS. And at the conclusion we will have the reporter make a notation in the Consolidated case that the exhibits and testimony beginning at page so-and-so and ending at page so-and-so may be a part of the record in the Consolidated case.

Mr. SCHAFER. That will be fine.

Mr. GLANZ. That is agreeable.

Mr. ELLIS. That is agreeable.

Mr. KENDALL. That is agreeable to me.

1893 Chairman TERRIL. I would suggest that, since Mr. Kendall's testimony is applicable only to the Consolidated case, at the conclusion of Mr. Weisler's testimony that his testimony may be put on at that time rather than be incorporated in the two cases.

Are we ready to proceed?

Mr. SCHAFER. First, if the Board please, in the case of the testimony of W. E. Brannon and Dave A. Gregg and J. P. Underhill and J. H. Wilsey, given in the Oregon-Nevada-California Fast Freight case, it was stipulated by the parties that their testimony could be physically incorporated in our record, and I asked those witnesses a few questions and it was determined at that time that they had planned to attend our hearing, but disposing of them then saved everyone's time.

I will ask if counsel have any objection to my now offering as exhibits typewritten copies of the testimony taken from the transcript of the Oregon-California case by my stenographer.

Mr. BEROL. No objection.

Mr. FARRENS. No objection.

Mr. ELLIS. No objection.

Mr. GLANZ. No objection.

Mr. SCHAFER. May they be given numbers, please?

Chairman TERRIL. Do you wish a separate number on each of them, Mr. Schafer?

Mr. SCHAFER. Whichever suits the Board best.

1894 Chairman TERRIL. The testimony of W. E. Brannon will be received in evidence and marked as Applicant's Exhibit No. 21.

(Applicant's Exhibit No. 21 received in evidence.)

Chairman TERRIL. The testimony of Dave A. Gregg will be received and marked as Applicant's Exhibit No. 22.

(Applicant's Exhibit No. 22 received in evidence.)

Chairman TERRIL. The testimony of J. P. Underhill may be received and mared as Exhibit No. 23.

(Applicant's Exhibit No. 23 received in evidence.)

Chairman TERRIL. The testimony of J. H. Wilsey will be received and marked as Exhibit No. 24.

(Applicant's Exhibit No. 24 received in evidence.)

Mr. SCHAFER. My notes disclose that Exhibit No. 6, which purported to show the wires received by Consolidated Freightways at Medford announcing the arrival times to be expected and the volume of freight to be expected from Oregon-Nevada-California Fast Freight, was objected to upon the grounds that it was a spot check. It was understood that we would furnish a more complete check for a given period. A daily check for a given period. We now have an amended exhibit to show that.

Mr. Weisler, will you take the stand, please?

L. F. WEISLER resumed the stand and further testified as follows:

Chairman TERRIL. The record may show that Mr. Weisler has been previously sworn in this matter.

1895 Direct examination (resumed) by Mr. SCHAFER:

Q. Do you have a copy of that exhibit to which I just referred?

A. I have a copy of that exhibit; a corrected copy.

Mr. SCHAFER. May it be given a number, please? The offer of 6 will be taken as withdrawn.

Chairman TERRIL. Exhibit No. 6 which was offered for identification will be withdrawn at this time and we will substitute therefor the exhibit that is now offered, which will be designated as Exhibit 6 and received.

Examiner HANBACK. I suggest that it be given the next number in order.

Chairman TERRIL. Off the record.

(Remarks outside the record.)

Chairman TERRIL. The exhibit that is now offered will be marked for identification as Exhibit No. 25 in this matter.

(Exhibit 25, Witness Weisler, marked for identification.)

By Mr. SCHAFER:

Q. For what period of this time is this exhibit representative, Mr. Weisler?

A. It represents from May 1 to July 1, inclusive, with the exception that no information is shown for Mondays because of the fact that the freight was not dispatched from San Francisco on Sunday. Therefore, there would be no Monday arrivals in Medford. And there are a few other dates missing for Saturdays, for which date no record was kept.

1896 Mr. SCHAFER. If the Board please, I think the purpose of the exhibit was disclosed at the previous hearing and this is merely to meet the objection of Protestants. I will now offer Exhibit No. 25. I think it is largely self-explanatory.

Chairman TERRIL. Any objection? Mr. Ellis?

Mr. ELLIS. No objection.

Mr. BEROL. No objection.

Chairman TERRIL. Hearing no objection, the exhibit will be received in evidence and marked as Exhibit No. 25 in the Consolidated application case.

(Exhibit 25, Witness Weisler, received in evidence.)

Mr. SCHAFER. I believe the rulings on Exhibits Nos. 7 and 13 were deferred. They are not yet in evidence.

Chairman TERRIL. Exhibit No. 13 was received for identification. It involved the number of factories and business establishments, new ones, in San Francisco. My understanding was that there was to be additional information furnished.

Mr. SCHAFER. Yes; I will cover that. Let us consider No. 7 at this time. Ruling on that was deferred.

Chairman TERRIL. No 7 was time schedules. That likewise was received for identification.

Mr. SCHAFER. I will offer Exhibit No. 7 now.

Mr. BEROL. May I review that for just a moment? I don't recall the exhibit.

Mr. SCHAFER. By agreement with counsel for the Ore-
1897 gon-Nevada-California Fast Freight I am withdrawing my offer of Exhibit No. 7, if that is agreeable to the Board.

Chairman TERRIL. The record may show that Exhibit No. 7 for identification is being withdrawn at the request of the applicant.

Mr. IVERS. Mr. Chairman, I am just trying to review my own mind about this exhibit. I don't recall whether there is any testimony on this exhibit or not, and I think before there should be permitted a withdrawal of this that an opportunity should be given to examine the record to see if there was any testimony, direct and cross, based upon this exhibit which will still remain in the record.

Chairman TERRIL. I am willing to defer the ruling on the request.

Mr. HOLBROOK. There unquestionably was evidence along that line.

Mr. SCHAFER. It will show in the transcript.

Mr. IVERS. I have no objection to the withdrawal.

Chairman TERRIL. Mr. Farrens, is there any objection on your part?

Mr. FARRENS. Just a second, please.

Mr. SCHAFER. There was one further——

Chairman TERRIL (interposing). Just a minute, Mr. Schafer.

Mr. FARRENS. I oppose the withdrawal of that exhibit. There was at least enough testimony in the record to indicate
1898 that those were the actual times of arrivals of the O. N. C. equipment listed on the exhibit, and there will be Protestants' testimony of I. C. C. logs of the O. N. C. arrivals which will tie into that exhibit.

Chairman TERRIL. It will remain in the record.

Mr. SCHAFER. I have no objection to its being admitted into evidence. I think maybe Mr. Berol should perhaps be here to argue his point.

Mr. IVERS. I might state that, as I read the record, there was no objection made to the introduction of this exhibit at the time it was offered, but merely a request made by one of counsel that it be deferred as to the ruling on its admissibility. There was no objection.

Mr. FARRENS. I think the fact was that the records tendered were being showered in on us so fast that we did not have time to study it.

Chairman TERRIL. Why not receive it?

Mr. FARRENS. No objection to its receipt.

Mr. IVERS. No objection to its receipt.

Mr. SCHAFER. I am offering it again.

Chairman TERRIL. All right. You may now let the record show that Exhibit No. 7, previously received for identification, is now received in evidence and marked as "Exhibit No. 7" in this matter.

(Exhibit 7, Witness Weisler, received in evidence.)

1899 Mr. SCHAFER. With respect to Exhibit No. 13 we are confronted with this situation: We obtained the testimony of—I forget the name of the witness—Garin, I think, it was—who conducts a business research bureau and who was able to determine from his records and statistics available to him the number of new businesses, wholesale and manufacturing, that were opened in the San Francisco Bay area for a given period of time. That exhibit was objected to for the reason that he could not also show the number of commercial failures for that time, and we expected to be able to get the failures from Dun & Bradstreet. The only thing we can get from Dun & Bradstreet is the total number of failures of all business, which includes beauty parlors and various businesses. One I recall was a diaper laundry service, which Mr. Pierce might be interested in but hardly to be considered as typical. So, therefore, we are unable to show the number of commercial failures as applied to factories and wholesalers. We will offer Exhibit No. 13 to the Board for what it may be worth at this time.

Mr. FARRENS. As far as I am concerned, the objection is insisted on, if the Board please, because it is a lop-sided showing and an incomplete showing.

Chairman TERRIL. The Board is prepared to receive the exhibit in evidence for what it is worth, and the record will show

1900 that it is so received and marked in evidence as Exhibit No. 13.

(Exhibit 13, Witness Weisler, received in evidence.)

Mr. SCHAFER. Cross-examination of Mr. Weisler was deferred in the former case, I believe.

Another point that we were going to develop: Mr. Weisler gave some testimony on population figures, and it was agreed that if the 1940 figures were out we would substitute those for the 1930 figures which he gave at the former hearing. We now have an exhibit containing the 1940 population figures. I will ask Mr. Weisler if he will explain that.

Will you give that a number, please?

Chairman TERRIL. It will be marked for identification as No. 26.

(Exhibit 26, Witness Weisler, marked for identification.)

By Mr. SCHAFER:

Q. Mr. Weisler, you have before you, an exhibit which has been marked for identification as No. 26, purporting to show certain population figures. Will you explain that for the record?

A. This was drawn in map form with the idea that it would give a geographical picture of the density of population in the territory involved in this application. Beginning with the letter "A" in the upper left-hand corner of the State of Washington, I might explain that the first group of figures opposite the letter "A" rep-

1901 resents the 1940 census; the second line figures reading "299,744" represents the 1930 figures; and the "12.2 percent" shown there represents the increased population in that particular area covered by the code letter "A."

The second page of this exhibit bears the code letter "A." It shows the 1940 census, the 1930 census and a notation there explaining that this population is in 13 counties West, Northeast, and North of Seattle which are served by connecting carriers beyond Portland, Seattle, Wenatchee, and so forth. In other words, those 13 counties are counties such as Clallam up in the extreme western tip of the Straight of Juan De Fuca, and Ferry County, Island County, and so on. In other words, that letter "A" represents territory that is beyond Seattle and beyond Tacoma; in other words, the 13 Northwesternmost counties in the State.

I think the exhibit with that explanation should be self-explanatory throughout the rest of the territory. We have shown—we have grouped in all states the counties served by us in any particular district. For instance, in the State of Washington the letter "C" represents territory through Yakima and Wenatchee Valleys up to Spokane, inclusive. By referring to page 2 of the exhibit you will notice that the population represented by the letter "C" is in 13 counties in Southern Washington, which would be counties in which, let us say, Goldendale is situated, Yakima,

1902 Toppenish, and so on, up to Spokane. In Northern Idaho, the letter "F," showing 6,940 population, is the northernmost counties in Northern Idaho served directly by Consolidated Freightways, as explained on page 2 of the exhibit.

If there are any further questions I shall be glad to answer them.

Mr. IVERS. Mr. Weisler, so that there will be no confusion, when you were explaining Note "A" you mentioned it included Clallam. I understood you to say also "Ferry County." You didn't mean that, did you?

The WITNESS. Yes, yes; I mean that.

Mr. IVERS. You know that Ferry County is located near the Idaho line in Northeastern Washington?

The WITNESS. Of course, I couldn't stretch that "A" out on across the northern part of the State. In other words that applies to counties served by connecting carriers beyond our own service. It might apply to Ferry County. Ferry County might be north of Spokane. I will call the 13 counties off to you.

Mr. IVERS. No. I just wanted to make sure that that is what you meant.

The WITNESS. The idea is to picture there the population served by our own line with the general geographical location. In other words, none of that 330,000 is connected by our own lines in the northwestern part of the State, whereas, on the other hand,
1903 the letter "C" represents Wenatchee, Yakima Valleys and Spokane points.

Mr. IVERS. So that the letter "A" includes all of that northeastern part of the State of Washington directly across the States?

The WITNESS. Yes, beyond our lines.

Mr. IVERS. Clear over to the Idaho line?

The WITNESS. That's right.

Chairman TERRIL. Any objection to the receipt of this?

Mr. FARRENS. I would just like to ask the witness one question about the territory.

Your Exhibit No. 1, which is your map, shows in red lines the routes which you operate presently in Oregon and Washington and Idaho. You are not contending, for example, that such part of the population that is over in the western part of the Olympic peninsula in Washington is served by your lines?

The WITNESS. No; I am not.

Mr. FARRENS. Although the population is included in the totals on your map?

The WITNESS. That's right. The exhibit states there that that population is served by connecting carriers beyond Portland, Seattle, and Wenatchee. In other words, when I say "beyond Portland" I mean Grays Harbor, which freight for those points would be given to connecting carriers at Portland, and it also includes Bellingham in those 13 counties, and the Olympic peninsula
1904 and counties, of course, in the northwestern part of the State that are not served by our lines at the present time.

By Mr. SCHAFER:

Q. Do you have any figures of the populations in the States which could reasonably be able to enjoy a faster service if the service which Consolidated here proposes is permitted to give it?

A. The lower portion of page 2 of that exhibit shows that the 2,464,897 people living in the territory in the Northwest in the counties in which the principal towns and communities are now served by the Consolidated Freightways.

Q. That did not quite answer my question, Mr. Weisler. Go ahead if you wish.

A. I might go on and say, further, that we don't consider that those would be the only people who would benefit by this improved service which we propose to give.

Q. You haven't said that those would receive a benefit, I believe.

A. Well, those people will receive approximately a 24-hour faster service than we are now able to render.

Q. Would that likewise be true of the points on connecting lines?

A. It would likewise be true of points beyond where we serve through connecting carriers. For instance, up at Colville, Washington, which is beyond Spokane; if we cut 24 hours off between here and Spokane, we will naturally cut 24 hours off
1905 those points beyond where we now turn freight over to connecting carriers.

Mr. SCHAFER. That is all I have.

Mr. FARRENS. I don't want to make objection to this exhibit insofar as it relates to the showing of population and, is therefore an amendment to Exhibit No. 13. But an examination of this proposed exhibit as compared with Exhibit No. 1 indicates the falseness of the contention contained in the paragraphs on the page following the first page of the exhibit to the effect that all of this population will be served by this carrier and its connecting carriers. As a matter of fact, the Chairman knows that there are many communities in Oregon which this carrier, as shown by Exhibit No. 26, does not serve. In other words, this showing of service is misleading when compared with the true facts as shown on Exhibit No. 1.

Mr. SCHAFER. We are willing that the two exhibits may be analyzed together. I don't think that counsel can point to any territory of appreciable size which is not served in some manner by some connection or directly by Consolidated.

Mr. FARRENS. Counsel's statement satisfies my point. We can pass it.

Mr. SCHAFER. I will offer Exhibit No. 26.

Mr. GLANZ. I would like to object to the last paragraph on sheet 1 of Exhibit No. 26 reading "Shaded area will receive
1906–7 one day faster service than is possible under joint operation" insofar as the Protestant Colletti Fast Freight is concerned upon the ground that we are not concerned here with whether or not by the elimination of a connection Consolidated Freightways will be in a position to improve its service. We are interest primarily in what service is available to the public conveniently and whether or not that service is adequate.

Mr. SCHAFER. Answering that, the exhibit speaks the truth insofar as we are concerned. We refer to the savings over the present joint service. We are not making any representation——

Chairman TERRIL (interposing). I think that should be covered by testimony as to what your service is going to be, and I think the Board is prepared to ask that that one paragraph of the exhibit be removed from the exhibit.

Mr. SCHAFER. I don't think the Board understands the objection. We are representing——

Chairman TERRIL (interposing). I think we do, Mr. Schafer.

Mr. SCHAFER. Will you please state the reason? I want to save my exception here. Will you please state the reason why we are not permitted to show by this exhibit the territory which we will be able to serve 24 hours faster if we are allowed to eliminate the connection?

Mr. ELLIS. Before the Board elaborates on the ruling I would like to record to show what my associate on the right
1908 perhaps is not familiar with: If there is testimony by the applicant itself to the effect that by far the greatest delays exist at Portland where the transfer is between the trucks of this applicant and not with any connecting carriers. I think that is a sufficient answer to your inquiry and shows the fallacy of the statement on the bottom of this exhibit. That was stated by your own witness.

Mr. SCHAFER. I confess that I was looking at the wrong paragraph. I was looking at the bottom of page 2. I have no objection to this exhibit being considered along with the testimony of the witnesses and eliminating that lower paragraph on page 1 of the exhibit.

Mr. GLANZ. That was my objection.

Mr. SCHAFER. I agree that the testimony of the witnesses would be the best evidence.

Chairman TERRIL. The ruling of the Board will stand: That that paragraph will be stricken from the exhibit and it will then be received and marked as Exhibit No. 26.

(Exhibit 26, Witness Weisler, received in evidence.)

Chairman TERRIL. Anything further, Mr. Schafer?

Mr. SCHAFER. I again offer Mr. Weisler for cross-examination.

Cross-examination by Mr. ELLIS:

Q. I have only a few questions. Mr. Weisler, in your tes-
1909 timony at Portland you introduced as Exhibit No. 3 a statement concerning the number of coastwise steamer sailings handling carload and less than carload freight between San Francisco Bay points and points on the North Pacific Coast. I would

like to ask whether you included in that number of sailings ships engaged primarily in transportation of lumber.

A. To my knowledge, there are very few, if any, ships operating between San Francisco and northwest points that don't handle at least some lumber. Now, those vessels naturally handle lumber south-bound and not north-bound, and when they handle lumber south-bound they are looking for other cargo north-bound. And that is what they go out for: General cargo north-bound.

Q. Do you know or have you any information available to indicate the percentage of their cargo which is normally lumber or lumber products?

A. No, I do not. No, I don't have.

Q. Is it not a fact that that is the major tonnage upon which these coastal carriers depend to sustain their operation?

A. Do you mean north-bound?

Q. Well, to sustain the whole operation.

A. North-bound I would say, no, they don't depend on lumber for north-bound cargo at all. And south-bound, I wouldn't say that lumber is the predominance of their cargo. They handle other general commodities south-bound as well as fruits, produce, all sorts of machinery and other items generally that
1910 are manufactured in the Northwest. What percentage is lumber I wouldn't say.

Q. Are you able to state what percentage of their cargo would constitute freight which was reasonably potential tonnage for truck transportation?

A. I wouldn't state the percentage no. I know that they handle some of the commodities south-bound that are now being handled by rail and truck.

Q. Is it not a fact that, generally speaking, the commodities which move normally by boat between San Francisco Bay and North Coast points are commodities which move on relatively low rates which would not be attractive to a truck-line operation?

A. I wouldn't say that that is true at all.

Q. Would you say that a truck operation between San Francisco Bay and Portland or San Francisco Bay and Puget Sound can compete with boat lines on boat-line rates?

A. They cannot.

Q. In the event of a diversion of that tonnage from the boat lines, is it not true that the first likely transport system to obtain the tonnage would be the rails rather than the trucks, their rates being more nearly comparable?

A. On certain commodities moving on port to port rates, yes; but to interior points; no.

Q. What do you mean by "interior points?"

1911 A. I mean points such as Eugene, Bend, Pendleton, La Grande, Baker, Spokane, Missoula.

Q. Largely interior points distant from the ports?

A. I don't follow you there exactly. That tonnage would be split between rail and truck to the interior points. Does that answer your question?

Q. But you admit that the rails would doubtless predominate in securing that tonnage by reason of their normal rate advantage on heavy carload commodities?

A. They might have an advantage on the port to port rates; yes.

Mr. ELLIS. That is all.

Mr. GLANZ. Not having heard the witness' direct testimony, I will waive cross-examination.

By Mr. FARRENS:

Q. On your direct testimony you testified that your company holds an option to purchase the Reymers line. Will you describe the routing of that operation?

A. The routing?

Q. Yes. Its authority is what I want.

A. I am really not in position to describe the authority. I haven't examined any papers whatsoever on the rights, but my understanding generally is that they operate as a common carrier north- and south-bound and that they are limited as to commodities. Beyond that I don't know.

Mr. SCHAFER. For the information of counsel I have, I believe, upstairs the file on the Reymers case and I could
1912 bring it down and read it into the record. I could read into the record the rights which Reymers has in interstate commerce.

Mr. FARRENS. I only want very roughly the termini between which it operates.

Mr. SCHAFER. San Francisco and Klamath Falls.

Mr. FARRENS. And can the witness or counsel tell me to what commodities the operation is limited?

Mr. SCHAFER. I can bring down the order and read it. I can state generally that it is a limited list of commodities between San Francisco and Klamath Falls; not general commodities, but includes such things as building material, hardware, groceries, and then canned goods and agricultural commodities. I will be glad after a recess to read the authority granted.

By Mr. FARRENS:

Q. I have just one more question. What is the present status of Consolidated Freightways' attempt to purchase or to acquire authority to purchase that line?

Mr. SCHAFER. The application has been duly filed before the Interstate Commerce Commission in the manner prescribed by Section 213.

Mr. GLANZ. Section 5.

Mr. SCHAFER. Pardon me. Section 5. I believe a hearing will be heard on that matter. Meanwhile, we have made no moves whatever to acquire it by any device.

Mr. FARRENS. That is all.

1913 Mr. SCHAFER. I have no redirect examination.

Mr. BEROL. I have a few questions.

Chairman TERRIL. Mr. Ivers?

Mr. IVERS. I have no questions.

Chairman TERRIL. Do Protestants want in the record the exact rights that are covered by this Reymers' operation?

Mr. FARRENS. Yes; I think we should have that.

Mr. SCHAFER. I can have it in five minutes.

Chairman TERRIL. If we are through with cross-examination I would suggest, in order to complete the record at this spot, we have a brief recess.

Mr. BEROL. I have a few questions on cross, if I may.

By Mr. BEROL:

Q. Referring to Exhibit 25, generally with respect to the Oregon-Nevada-California Fast Freight telegraphing your company at Medford advising the approximate amount of tonnage available; is that a daily practice?

A. I understand that it is a daily practice five days of the week.

Q. And what is the purpose of it?

A. The purpose of it is to inform us in advance approximately how much tonnage we are going to be required to move north of Medford.

Q. What time of the day is such a telegram usually sent?

A. The telegram is sent in the evening.

Q. Is it a telegram or a teletype message?

1914 A. It is a teletype message.

Q. The teletype message originates where?

A. I understand it originates in San Francisco. I saw the wires, but I didn't look at that.

Q. Now, isn't this a fact? That those teletype messages are sent daily from San Francisco giving an approximation of the amount of tonnage it is anticipated will leave San Francisco?

A. That may be true.

Q. Isn't it also a fact that the Oregon-Nevada-California Fast Freight serves all intermediate points between San Francisco and the Oregon-California border?

A. I understand they do.

Q. Isn't it also understood and assured between the Oregon-Nevada-California Fast Freight and your company that such a daily telegram does not purport or attempt to take into consideration traffic that might originate at points beyond San Francisco?

A. We naturally presume that the wire covers freight loading at Oakland and San Francisco, and that we naturally know that a shipment picked up at Hornbrook or Yreka or Mt. Shasta, that freight naturally could not be included in the wire.

Q. And, therefore, as to those instances where there was more traffic than was indicated to you by telegram, would it not be due to such traffic originating beyond San Francisco and Oakland of which the Oregon-Nevada-California freight office
1915 in San Francisco would have no knowledge at the time of sending the wire?

Mr. SCHAFER. Just a minute! I will stipulate that, counsel, and readvise the Board that the purpose of this exhibit is not to show delinquency on the part of Oregon-Cal. because, certainly no one can know when it leaves San Francisco what freight will be available when it goes north. It is offered to show one of the inherent disadvantages of a service of this type.

Mr. BEROL. That stipulation satisfies me. Bearing that stipulation in mind, I will not ask any more questions.

The WITNESS. I might state that, naturally——

By Mr. BEROL:

Q. There isn't any question pending. I have no objection to your making a voluntary statement.

A. I appreciate that. I think I would like to make a voluntary statement.

Q. Go right ahead.

A. It is the only thing that we do have to go by, and we naturally, in allowing for equipment, naturally allow a little over or under, but we don't allow over or under as we have in a great many cases.

Q. You use trucks and trailers between Portland and Medford, do you not?

A. That is correct.

Q. The trucks and trailers that you use are pretty much
1916 standard equipment, are they not?

A. Yes; I would say they are.

Q. What is the maximum carrying capacity of the truck and trailer unit?

A. Pay load or total weight?

Q. Total weight.

A. 54,000.

Q. What is the maximum pay load capacity?

A. Around twenty-four to twenty-five thousand.

Q. Twenty-four to twenty-five thousand. In other words, twelve and a half ton?

A. Yes.

Q. Referring to the first item, May 1st, your exhibit indicates that you received a telegram indicating the tonnage would be 56 tons. The amount actually received was 55 tons. How many pieces of equipment would it take to handle 55 tons, trucks and trailers?

A. 55 tons?

Q. Yes.

A. Well, I would have to take a slide rule and figure it out.

Q. Five.

A. We'll say five.

Q. It would also take the same five to handle 56 tons, wouldn't it?

A. When I say "five trucks and trailers" I would want

1917 to figure that out.

Q. You go right ahead.

A. It would be 110,000 pounds divided by 25. That wouldn't be five trucks.

Q. What would it be?

A. Well, it would take more than four trucks.

Q. Well, it wouldn't take four and a half trucks, would it? It would take either four or five, wouldn't it?

Mr. SCHAFER. I will stipulate that the one-ton differential shown on that date would not be prejudicial to us.

By Mr. BEROL:

Q. Isn't it true of a great majority of instances shown on Exhibit No. 25, that insofar as the number of pieces of equipment you will have to use, it would make no difference?

A. That isn't true.

Q. You point out to me as to how many instances on Exhibit No. 25 where that would not be true.

A. Well, let us take the next item there, 54 tons. I would go through them hurriedly and say that the items of 16 tons, 18 tons, and 9 tons, and 8 tons again, 5 or 6 tons. If you have got a truck and trailer down there to handle a given amount, one ton would have to be left over if you don't have equipment to handle it.

Mr. BEROL. I believe that is all. That illustrates the point that I wanted to make.

1918 By Mr. IVERS:

Q. I have one question that was suggested by that. Will you look at the item of May 16 on which there was an oversupply of equipment of 18 tons? Do you have that?

A. I have it before me.

Q. Now then, will you notice on the next day, May 17, an undersupply of 15 tons?

A. Yes.

Q. Isn't it a fact that both of those are due to the fact that two trucks broke down on the 16th and arrived on the 17th?

A. That may be, but that——

Q. (Interposing.) Just a moment! Is that the fact?

A. That may be a fact. I don't know whether it is a fact or not.

Q. All right. Would you have been advised that those two trucks that broke down on the 16th had broken down?

A. I recall discussing that and I don't think we were advised in time to stop dispatching of equipment.

Q. So that you didn't hold the equipment over until the actual arrival of those two trucks that broke down, is that right?

A. When our equipment is very busy we can't hold it for 24 hours.

Q. Do you know that 24 hours elapsed because of the breaking down of those two trucks?

A. I don't know that.

Q. Now, isn't it a fact that what you have done here with
1919 relationship to this particular incident, you have taken the wires which you received; found out what the advice was; and then you have checked to find out what the actual receipt of tonnage was on those days?

A. Well, I think it is safe to assume that.

Q. Do you know from your own independent recollection now from just reviewing the wires and the actual tonnage received that on any of those days you didn't actually have the equipment available there, whether you were advised or not to move it beyond?

A. Yes.

Q. All right. Which day do you remember?

A. I don't remember any particular date, but I remember that happened.

Q. But on some of these days actually the equipment was there and the equipment did move the tonnage in spite of the fact that the advice and the arrival were not exactly identical?

A. Well, I can't state how many days. Sometimes we have extra equipment, yes.

Mr. IVERS. That is all.

By Mr. ELLIS:

Q. In line with some of the questions developed on cross-examination I would like to ask how better you could have handled this traffic referred to on the exhibit you have under discussion if Consolidated had had the through service?

1920–1921 A. The through service?

Q. Yes. What further information would you have had on the leaving out of San Francisco in the event you conducted the operation when you received from your connection, the O. N. C., these teletype messages?

A. Naturally, if we were handling freight from here to Medford, if we were operating from here to Medford and also operating from here to Portland we wouldn't unload freight at Medford.

Q. But you would have no further information and no additional information as to the amount of tonnage coming northbound than you would have been receiving in these teletype messages?

A. I haven't even considered that because it is beside the point. We are not operating through to Medford.

Q. Do I understand it to be your testimony that twenty-four to twenty-five thousand pounds was the average loading on your equipment?

A. That's what we generally consider to be a load out in the territory when we furnish equipment or when we advise shippers what we can handle.

Q. Do you know how that corresponds with your actual loading?

A. With the actual loading?

Q. Yes.

A. Well, that is approximately the actual loading. It may run—it depends on the weight of the trucks. Some trucks
1922 may weigh a hundred pounds more than another—I mean a thousand pounds.

Q. I have before me the testimony of the witness Sneed on behalf of your company, page 516 of the transcript in this case, where he testified that the actual capacity is around twelve ton, and because of the nature of the freight you will normally load around ten and that the average load will be approximately ten ton in equipment of this type. Do you disagree with Mr. Sneed's statement?

A. No, I don't disagree with him. But going beyond my thought—I answered your question a while ago—it depends entirely upon the type of commodity loaded.

Q. And you wouldn't question in your testimony what the actual experience was?

A. No; I wouldn't question it on that.

Mr. ELLIS. That is all.

Mr. SCHAFER. No redirect.

Mr. GLANZ. May I ask one or two questions based on these exhibits?

By Mr. GLANZ:

Q. Mr. Weisler, is it your testimony that the interchange of equipment plan of operation that you have had with Oregon-Nevada-California Fast Freight in the past has been a failure so far as meeting the needs of the public is concerned?

A. We haven't been able to give the service that we would
1923 desire to give.

Q. Well, what I am trying to get at is not from what you would like to give but from the standpoint of the shipping public. Have you had any indications that from the standpoint of the shipping public it is dissatisfied with the result of the through trailer joint operation arrangement?

A. Well, I think that was testified to by some 65 witnesses who appeared here on behalf of our application.

Q. Well, I am asking you what you deduce from the 65 witnesses who testified.

A. About the joint operation?

Q. Yes.

A. I think it is—from my observation it is generally a conceded fact that a through operation can give a far superior service than a joint operation where freight is transferred.

Q. You understood my question, didn't you?

A. I apparently don't if I am not answering it.

Q. I realize that you are trying to answer. I am not accusing you of evasion, of course. The question is, From the standpoint of the shipping public is it your belief that the joint operation using the through trailer system has been unsatisfactory to the shipping public?

A. Could I answer that from a standpoint of a shipper, because only a year and a half ago I was an industrial traffic manager, and I might state that at any time I could avoid a joint operation I did so and favored a through operation not only on
1924 l. c. l. rail and truck shipments but on through carload shipments.

Q. All right. Now, are you also making that statement now as a representative of Consolidated Freightways, Inc.?

A. That we can give a better service direct?

Q. The statement that you just made, are you making that in your capacity as an ex-shipper or in your capacity as a representative of the Consolidated Freightways?

A. We will presume that I am stepping out of this picture back where I was a year and a half ago. That is my answer.

Q. Would you in your present capacity make the same statement?

A. From the standpoint of an employee of Consolidated?

Q. Yes.

A. That we could give a better service by rendering a through service?

Q. Yes.

A. Than by giving a joint service?

Q. Yes.

A. I would say, yes, we can.

Q. You have had an arrangement with Oregon-Nevada-California under which from San Francisco to Portland, for instance, merchandise traveled the entire distance in one vehicle, have you not?

A. Part of it.

Q. Part of it?

1925 A. Yes.

Q. And how much of the total tonnage would that be?

A. How much of the total?

Q. Yes. Just a rough estimate.

A. Just a rough estimate? Just let me think a minute and I will give you——

Mr. SCHAFER (interposing). If the Board please, Mr. Glanz wasn't present at the previous hearings, but this is all in the record.

Chairman TERRIL. I think the witness can give him a short summary here that will serve his purpose.

A. (Continuing.) I will say between one and two trailers were interchanged in each direction for each day. They have been in the past. Between one and two trailers have been interchanged in each direction on each day, and I don't know offhand just what the capacity of that trailer might be.

By Mr. GLANZ:

Q. And would you mind stating what the result of that system has been so far as the rendition of service to the public is concerned?

A. Well, I think it is too bad you weren't here before because that was all thrashed out. There are advantages as well as disadvantages. We have had a——

Q. (Interposing.) Let us assume that it has been thrashed out and let us assume that I am at fault in not having been here at the prior hearing, but if the Joint Board doesn't mind I

1926 would like to have an answer to that question.

A. Well, we'll say, for example, when a through trailer is loaded out of San Francisco, for one thing, there is more freight loaded on that trailer than can be hauled on that trailer in the State of Oregon; and when a trailer gets to Medford a part of the freight is taken off and put into other trucks or trailers.

Q. Then would you say——

A. (Interposing.) That's one of the disadvantages.

Q. There are others, are there?

A. Well, in some cases there have been some other disadvantages through loading into that trailer freight which shouldn't have gone into the trailer, freight that was to be turned over to other carriers and freight that was for delivery on another route other than through Medford.

Q. Now, do you think—had you finished?

A. Yes; that is right.

Q. Do you think that those disadvantages would affect the shipping public?

A. Yes, I do; especially on misloading freight.

Mr. GLANZ. That is all. Thank you very much.

Chairman TERRIL. I think that is all, Mr. Weisler.

Mr. SCHAFER. Just a moment, here!

That will be all.

Chairman TERRIL. You are excused, Mr. Weisler.

(Witness excused.)

1927 Mr. SCHAFER. I can inform counsel now on Reymers' rights. Their I. C. C. Docket number is MC–65119, and the part of their rights that we are concerned with here authorize the transportation of property in interstate commerce between San Francisco, California, and Klamath Falls, Oregon. The commodities are as follows: Beverages, lard compound, machinery, pipe, hardware, groceries, acetylene and oxygen in tanks and carbide in tanks; a few other commodities from Klamath Falls to San Francisco, such as potatoes, empty barrels and bottles.

Mr. ELLIS. Does that include any intermediate points between Klamath Falls and San Francisco proper, such as Oakland or Alameda?

Mr. SCHAFER. Intermediate points; Sacramento, Oakland for all traffic; Stockton, California, restricted to the shipment of malt beverages north-bound and empty malt beverage containers south-bound. There is also Cordelia, Livermore, and Lodi restricted to the movement of wine north-bound and empty wine containers south-bound, and all points between Red Bluff and San Francisco, California, for the delivery of potatoes.

Mr. FARRENS. Just one more question. Am I correct that on the 21st instant in Medford, Oregon, the docket in the Interstate Commerce Commission calls for an application and hearing of Consolidated Freightways, Inc., to purchase the rights of O. J. Mitchell, doing business under the name "Mitchell Brothers"?

1928 Mr. SCHAFER. You are correct. We have had an option on O. J. Mitchell for quite a period of time, shortly after we discovered that Oregon-Cal. was going to acquire this new con-

nection at Medford and, accordingly, we made an application for the right to lease the rights of O. J. Mitchell with a contract to purchase at the end of the lease period, and no steps toward the consummation of that transaction have been taken and will not be taken without the approval of the Interstate Commerce Commission.

Mr. FARRENS. And O. J. Mitchell claims grandfather rights to operate between Portland and San Francisco via the same route from Medford south to San Francisco as that which you seek the right to operate over in this case?

Mr. SCHAFER. Yes. I have examined O. J. Mitchell's case quite closely and he claimed grandfather rights to operate as—I think the Joint Board—not the Joint Board, but at an informal conference the District Office recommended that he be granted regular route rights between Vancouver, Washington, and San Francisco, California, with all intermediate points, including service to Sacramento, Stockton, and San Jose, general commodities. His case was reopened by protestants and forced into a formal hearing. The Joint Board found against him in that case, but for some reason or other the case has been reopened and it is still pending. His original hearing before the Joint Board on grandfather rights has not been completed.

1929 Mr. FARRENS. That is set for further hearing in Portland, Oregon, on November 12, I believe?

Mr. SCHAFER. That is correct.

Mr. ELLIS. Would counsel mind stating whether or not any service is now being given by Consolidated Freightways in conjunction with the Mitchell Brothers operation under presently effective joint rates whereby traffic is interchanged or whereby through service is afforded under lease arrangement?

Mr. SCHAFER. No. I would say that through rates became effective the 14th. That is today. It was contemplated that we would connect with Mitchell at Medford to complete a through service south. Our tonnage received from Oregon-Cal. since they have begun connecting with this Pacific Seaboard Lines has dropped substantially from an average of around 60 tons to 7 to 15 tons a day. We feel that—perhaps I had better not go into that, but we spent ten years cultivating this volume of business and we have been looking about for ways to protect ourselves, and we haven't started any operation yet. We are contemplating leasing from Mitchell enough equipment so that he can be our connection at Medford, but he would then get a split of the through rate. We haven't invested any money to date.

Mr. BEROL. I don't want to appear to be engaging in any argument with counsel representing an applicant bearing in mind that I am representing an applicant here. When counsel

1930 talks about looking around for ways and means of protecting himself I can't help but state that the first application was filed by Consolidated Freightways.

Chairman TERRIL. You each have an observation in the record.

Mr. SCHAFER. I take it counsel means the application to extend? I agree with that.

Mr. FARRENS. I offer in evidence at this time as Exhibit No. 27 a copy of the testimony of Arthur W. Lee before the Interstate Commerce Commission, Joint Board No. 5, in Docket MC–9115, Sub. No. 1, under date of July 23, 1940, being pages 461 to 494 of the transcript in said case, MC–9115, Sub. No. 1.

Chairman TERRIL. Any objections?

Mr. BEROL. Who is the "Mr. Shager" referred to on page 475?

Chairman TERRIL. I think that must have been a mistake. I think that must have been Mr. Schafer, I presume.

Hearing no objection, it will be received in evidence and marked as "Exhibit No. 27" in this matter.

(Exhibit 27 received in evidence.)

Mr. FARRENS. I now offer in evidence the testimony of Don C. Toye before the Interstate Commerce Commission, Joint Board No. 5, in Docket No. MC–9115, Sub. No. 1, July 24, being transcript pages 567 to 587, inclusive, of that docket number.

1931 Mr. SCHAFER. That is objected to upon the ground that I had no opportunity to cross-examine this witness, and I am not going to have any testimony of strangers to my case unless I did have that opportunity.

Mr. FARRENS. Is that all?

Mr. SCHAFER. Unless you are offering it for some limited purpose. Will you state what you are offering it for? Is this to be binding upon me upon this record?

Mr. FARRENS. No. I am offering it on behalf of myself as counsel for a protestant. This is my evidence and not Mr. Schafer's evidence. And while it is true that perhaps Mr. Schafer was not present at the time this testimony was given, yet Mr. Schafer and his associate counsel had their appearances in this case, had the opportunity to be present, were in the city. And if they elected to be absent from the room at the time this witness was on the stand that doesn't make the offer of this testimony of Mr. Toye inadmissible.

Mr. SCHAFER. I submit that I can provide plenty of authorities on notice that in case where we have merely intervened not as a protestant and we are not present throughout the case, we did not cross-examine these witnesses nor sit through his entire case, and we cannot be bound by the testimony of those witnesses and it cannot be evidence in this case.

Mr. FARRENS. Counsel doesn't seem to draw a distinction from being bound by testimony of a witness, which is one thing, and the testimony being admissible in this case. He now has an
1932 opportunity to examine the testimony. He has it now. He now has an opportunity to refute it. It isn't necessary that he be present.

Mr. SCHAFER. That is almost childish. Some witnesses testified in a case other than this one. I wasn't there. I had no opportunity to cross-examine him, and now you want to offer that as evidence in this case. Why it is an elementary rule of law.

Mr. ELLIS. The rules of the Commission permit it, if I correctly interpret the rules.

Mr. SCHAFER. I might cite the case of North Potato Traffic Association versus the Atchison Topeka & Santa Fe Railway Company, 178 I. C. C. 237, and Schlichter versus Director General, 61 I. C. C. 181. I can refer you to 22 corpus juris, page 428, Section 513, and at least one thousand other cases.

Chairman TERRIL. Suppose we defer a ruling on it at this time and save some time here?

Mr. FARRENS. I think I can find it for you in just a second.

Mr. SCHAFER. You will find it in 13–B in the Rules of Practice, and it will say "subject to the usual objections." The usual objection is that you had no opportunity to cross-examine that witness.

Mr. FARRENS. I don't think counsel is supposed to voluntarily stay away from the room in a case to which he is a party and
1933 then say that he did not have an opportunity to cross-examine the witness.

Mr. SCHAFER. I think that is unfair. That case lasted for weeks. I had a lot of other work to do. I was merely an intervener. I was not opposing the granting of this application, and there is no burden upon me to sit through that entire proceeding for fear some witness might testify to something and I wouldn't be there to cross-examine him. My time is worth more than that.

Mr. FARRENS. I want to point out to the Board that Consolidated Freightways is the only party in these two cases who has been constantly represented, I believe, by two counsel, both of whom appeared in the case in which Mr. Toye gave his testimony. Now, I am ready to accept the Board's ruling on this offer.

Chairman TERRIL. The exhibit will be received and marked as "Exhibit 28" in this matter. Your objection will be noted and you are allowed an exception to the ruling.

Mr. SCHAFER. You wouldn't entertain a list of authorities supporting my position? My exceptions are in the record?

Chairman TERRIL. Your exceptions are in the record, Mr. Schafer.

(Exhibit 28 received in evidence.)

Mr. FARRENS. At this time I offer in evidence the cross-examination of Mr. J. A. Gritsch, President of Oregon-Nevada-California Fast Freight, Inc., in Docket No. MC–9115, Sub. No.
1934 1, Sub. No. 1, dated August 7, 1940, and consisting of 127 pages prepared by the reporter in this case and in that case, which testimony, I may add, on cross-examination was given after notice to counsel for Consolidated Freightways of my intention to make this offer.

Mr. SCHAFER. I might say that at that time I urged—I forget whether it was on the record or not—the same grounds, that we were not present to cross-examine Mr. Gritsch, and although I admitted at that time that this cross-examination would be admissible for a limited purpose but that it wouldn't be admissible as evidence of any fact. It would be admissible for the limited purpose of affording a foundation for a cross-examination of Mr. James, who was present at the last session. And so, therefore, I am urging the same objection as on the last one, on the grounds that I was not present and had no opportunity to cross-examine Mr. Gritsch; and on the further ground that they are here introducing a part of Mr. Gritsch's testimony and not the whole; in other words, only this cross-examination and not the direct examination. If it is coming into this case at all, it should come in completely, the direct and the cross, although I am not conceding that it has any business in here, and I think it violates the fundamental rules of evidence.

Mr. BEROL. I will join in the objection of Mr. Schafer on the second ground, to wit, that this is only a partial and
1935 an incomplete portion of testimony offered by the Witness Gritsch. I have no full understanding that the testimony of Mr. Gritsch can be offered without both direct and cross. I think the rules of the Commission are well established that if counsel is going to offer testimony of this kind, it should be the complete testimony and not portions of it.

Mr. SCHAFER. I want to make my objection entirely clear with respect to the objection of being admitted for a limited purpose. I conceded at the prior session that if Mr. Farrens wanted to say to Mr. James, "Now, Mr. James, Mr. Gritsch testified on cross-examination that so-and-so is the fact." That would be for the limited purpose of affording a foundation for cross-examination, and beyond that the rules of evidence will not permit the admission of those statements.

Mr. FARRENS. Now, if counsel have concluded let me say that Mr. Schafer was present. I find his comments of record and questions of record on pages 111, 112, 113. Mr. Schafer was put on notice by me prior to the cross-examination of Mr. Gritsch that I would offer in his case a transcript of his cross-examination.

The rules of the Commission provide as follows:

"When relevant and material matter offered in evidence by any party is embraced in a book, paper, or document containing other matters, not material or relevant, the party must plainly designate the matter so offered. If the other matter is in such volume as would unnecessarily encumber the record, such book, paper or document will not be received in evidence but may be marked for identification and, if properly authenticated the relevant and material matter may be read into the record, or if the President Commissioner or Examiner so directs a true copy of such matter in proper form shall be received as an exhibit, and like copies delivered by the party offering the same to opposing parties or their attorneys appearing at the hearing, who shall be afforded opportunity to examine the book, paper or document, and to offer in evidence in like manner other portions thereof if found to be material and relevant."

1936

Now, counsel has in his possession the whole of Mr. Gritsch's testimony in the O. N. C. case and is at liberty, if he desires, to put his direct testimony in evidence. I am contending here only for the materiality of his cross-examination. I am offering only his cross-examination.

Mr. SCHAFER. In answer to that, well, I will state the facts: That Mr. Gritsch apparently was on the stand for 127 pages. I admit that I dropped in and noticed that he was still on the stand and went back to other tasks, and I was in and out of the hearing. But I wasn't present during his cross-examination. Furthermore, I think it would be obviously unfair to submit a part of this testimony.

Chairman TERRIL. The exhibit will be received subject to the same objection.

1937

Mr. BEROL. I wanted to reply to Mr. Farrens, but if the ruling has been made I don't want to appear to argue against the ruling.

Mr. SCHAFER. I think he was reading from the wrong section myself.

Mr. BEROL. If the ruling is held in abeyance I would like to be heard. If the matter has been ruled upon, I am not going to argue.

Chairman TERRIL. The Examiner calls my attention to the fact that the Commission knows what the rules are in the matter. The ruling will stand as made. The exhibit will be received, with the objection noted and with an exception allowed.

Mr. BEROL. Exhibit 29?

Chairman TERRIL. And marked as "No. 29."

(Exhibit 29 received in evidence.)

Mr. SCHAFER. I ask the right, then, without furnishing an exhibit to refer to the direct examination of J. A. Gritsch. That cer-

tainly wouldn't be prejudicial to the parties because they have both transcripts, and if I am going to have to meet this cross-examination in my brief I want the right to refer to his direct examination by the transcript page number without introducing it physically into the record.

Chairman TERRIL. Would you like to have it incorporated by reference?

1938 Mr. SCHAFER. I am not asking the right to incorporate any of the testimony by reference because I had no right of cross-examination. I had no opportunity. I will note my exception.

Mr. FARRENS. May I point out that Mr. Gritsch is in the room and can be called to the stand for cross-examination, if you want to?

Mr. SCHAFER. It sounds fair, but there are 127 pages of his cross-examination here and I have never read it.

Mr. FARRENS. Let me point out that Mr. Gritsch will probably be here all of the next four days.

Chairman TERRIL. We still have four days, and if you feel——

Mr. BERCL (interposing). I would suggest that, in accordance with that suggestion, Mr. Gritsch will be available tomorrow and Friday only. Mr. Gritsch cannot be available on Thursday, so that no parties may be taken by surprise.

Chairman TERRIL. Anything further, Mr. Farrens?

Mr. FARRENS. Yes; I think I have one more exhibit.

Mr. SCHAFER. What was the ruling on the incorporation of the direct? I wanted to refer to the direct without waiving my objection.

Chairman TERRIL. I had nothing on which to rule.

Mr. SCHAFER. I ask the right to refer in my brief an argument to the direct without being bound by it.

1939 Chairman TERRIL. Unless it is a part of the record I don't know how you can refer to it.

Mr. SCHAFER. Can we have a stipulation by opposing counsel?

Mr. FARRENS. I am not going to attempt to bar counsel. I would be glad to make that stipulation, but as I understand the rules of the Commission I cannot do so. Rule 13 states the method in which a matter foreign to the docket in the case can be introduced, and among other things it says that by stipulation of counsel certain evidence can be introduced by reference.

I am willing to stipulate to that, but I can't stipulate to the request of counsel as made because it is outside the rules permitted by the Commission. Are you through, Mr. Schafer, on that question?

Mr. HOLBROOK. Wait until we get a decision.

Chairman TERRIL. The Board will be glad to entertain an offer, if you want to have it.

Mr. SCHAFER. If I must argue against the testimony which was introduced when I was not present I am asking for permission to refer to the direct also without introducing it as an exhibit.

Chairman TERRIL. As I understand, the only way that it can properly be done is to have it incorporated by reference in this record. If you are willing so to do, then you would

1940 certainly be free to do so.

Mr. SCHAFER. I do not wish to waive my exception in what I regard a serious error in the rules of evidence.

Chairman TERRIL. I can't grant it if it is at variance with the rules of the Commission.

Mr. FARRENS. At this time I wish to offer in evidence an ex'erpt from the brief filed by Mr. Donald A. Schafer of counsel for Consolidated Freightways Inc.; Mr. Edward M. Berol and Marvin Handler, counsel for Oregon-Nevada-California Fast Freight, in Docket No. MC–1592 and MC–1592 Sub. No. 2 under date of December 23, 1938.

I neglected to add that other counsel were of record in the submission of this brief for protestants in that case, but apparently (I stand corrected if I am wrong) the brief was written by Mr. Edward M. Berol and Marvin Handler and acquiesced in by Mr. Donald A. Schafer.

In defense of this being an ex'erpt and not the entire brief, I refer again to Rule 13–A of the Commission. I call the Board's attention to the fact that these briefs were written by Mr. Donald A. Schafer and Mr. Edward M. Berol and Mr. Marvin Handler, among others, and unquestionably copies thereof are in the possession of Mr. Schafer and Consolidated Freightways, the applicant in this case, who are at liberty under the rule, if they so desire, to offer the balance of the brief provided they can convince the Board that it is relevant.

1941 Mr. BEROL. I will state that——

Chairman TERRIL (interposing). Just a minute, Mr. Berol. What is the purpose of this, Mr. Farrens?

Mr. FARRENS. The purpose of this is to show that in 1938 the applicant in this case, Consolidated Freightways, filed a brief in which it contended that the joint through service of Oregon-California Fast Freight, now the Oregon-Nevada-California Fast Freight, and Consolidated Freight Lines, now Consolidated Freightways, Inc., fully met public convenience and necessity; that no through operation, such as was then being asked by Pacific Truck Express in its BMC 8 application, was necessitated; that the joint operation involving the transfer of lading from one piece

of equipment to another at Medford did not result in any increase in loss and damage claims or in any other way embarrass the shipping public; and wherein they also contended that even in a case where a new service facilitated through transportation and the time in transit was lessened——

Mr. SCHAFER (interposing). Is it going to be read into the record or introduced?

Mr. FARRENS (continuing). That where it was not proven that public convenience and necessity was not being served by existing carriers, no certificate should be granted.

Examiner HANBACK. Mr. Farrens, isn't this more proper in a brief?

1942 Mr. FARRENS. Well, I can't introduce it in evidence in a brief; a portion of a brief written by the opposition in another case. .

Examiner HANBACK. Isn't this by argument?

Mr. FARRENS. No; admission against interest. Purely and simply an admission against interest.

We have them appearing less than two years ago in a case where they were then contending, both with respect to matters of law and questions of fact, precisely the opposite of what they are here contending.

Chairman TERRIL. Off the record.

(Remarks outside the record.)

Mr. BEROL. May I be heard, please?

I might say in prefacing my objection (and I am going to object) that insofar as a proffered exhibit represents a portion of a brief filed under date of December 23, 1938, I as a party to that brief wholeheartedly affirm all of the contents in the proffered exhibit as being a part of that brief, and I stand back of it. However, as to whether or not it is admissible in this proceeding is another matter.

Now, let us examine the proffered document. And what does it consist of? First, practically all of the first page is nothing but quotations from decisions of the Commission. Now, if counsel wants to refer to those decisions of the Commission, cer-

1943 tainly he can do that in argument, which is proper. The balance——

Mr. FARRENS (interposing). Will you accept the correction in your statement that they are not quotations?

Mr. BEROL. They may not be quotations. They may be the writer's understanding of what those decisions held, and I will ask that my remarks be corrected accordingly, if that is so.

Now, going beyond that, the balance of the proffered exhibit consists of what? Of comments upon the testimony of witnesses in another case heard over two years ago.

Now, I am objecting to the exhibit specifically upon the legal ground that it is incompetent, irrelevant, and immaterial to this proceeding; and on the further ground that, even if it were material and relevant to this proceeding, it is too remote in point of time, being approximately two years old, to have any probative value in this proceeding.

If counsel wants evidence in this record indicating what my views may be upon a particular set of facts I will say that my views, as expressed upon the set of facts at that time, two years ago, are still the same today. But facts change, and this is a changing world. And, certainly, comments that I have made two years ago upon a set of facts that were altogether foreign to this particular application cannot in an absence of showing that the conditions of two years ago are the same as they are today have any bear-

1944 ing upon this issue. And, therefore, I renew my objection to it on the two grounds:

1. That it is incompetent, irrelevant, and immaterial; and

2. That it is too remote in point of time to have any probative value.

Mr. SCHAFER. Seeing as this is my record, I would like to comment also very briefly.

My name is on the brief. Although I didn't write it, I will stand behind it too. We took that position in 1938. The evidence in this case shows that the volume of business has doubled and over since then. Moreover, in that case, the Pacific Truck Express case, the Commission, Division 5, found that our position was faulty. We were wrong. It is now adjudicated that our contentions in there were not sound. And who are we to tell Division 5 that they are wrong and stay with a position that we took two years ago?

Mr. FARRENS. I will see if I can compose this debate. I shall try.

In the first place, what both counsel have just said about the fact that this was their position nearly two years ago, that is to say, in December 1938, goes merely to the weight of the evidence and not to the competency and relevancy. If I may have the Board's attention, I would say that the argument that this brief was dated December 1938, nearly two years ago goes to the weight of

1945 this evidence and not to its competency or relevancy.

I shall also call the Board's attention to the fact that in cross-examining the two witnesses who were on the stand this morning, Mr. Miller and Mr. Ferrero, I tied in the date of December 1938 and inquired whether the service they were receiving since December 1938 was inferior in any respect to the service which they had received prior to that date, both of them having been patrons of this joint service for seven years and ten years, respectively.

As I say, that goes to the relevancy of the testimony. It is something which applicant has a right to try to rebut by a showing of

changed conditions. There is a rule of evidence, however, which says that conditions once shown to have existed and which are shown here to have existed by the testimony of Mr. Gritsch, referred to on page 2 or the final page of this exhibit, particularly with respect to loss and damage claims, continue to exist unless the evidence is to the contrary. You will remember also that I inquired of these two old patrons of this through joint service this morning respecting the loss and damage claim situation as prior to December 1938 and as subsequent to December 1938.

Now, let me say this: That if the Board has any question in its mind concerning my right to offer in evidence a brief which constitutes in several particulars an admission against interest on
1946 the part of these applicants, then I desire opportunity to produce the legal authorities and then ask the Board to defer ruling until those authorities can be produced.

Mr. GLANZ. May I add one statement on behalf of the offer of Mr. Farrens?

It seems to me that one of the things that we are all partly responsible in this type of proceeding for is to get facts before the Commission upon which it may decide the very important issue of public convenience and necessity. Now, it seems to me, that, while this particular brief was dated in December 1938, I recognize substantially the same statements and I believe some of the same cases were cited as late as May, either the latter part of April or May of 1940, in the application of Colletti Fast Freight for service in the Pacific Northwest on general commodities, in which case incidentally Mr. Gritsch testified as did a number of other carriers, including some of the protestants here in this proceeding.

It seems to me that that issue is not one that can be determined by cleverness either in keeping out certain facts or in putting them in. If through an odd combination of circumstances two carriers who at one time were unalterably opposed to one another had subsequently come together and decided to present the issue one for both and both for one before the Commission, that odd circumstance should not be used to the detriment of the protestants who
in all seriousness are trying to develop the record and show
1947 the true facts to the Commission.

It is true, as Mr. Berol says, that the brief is a matter of argument, and yet, presumably, when you argue you argue from the truth and you argue from facts which were in a record and facts which you believe that particular time are true facts. I certainly wouldn't accuse Mr. Berol or Mr. Schafer of attempting to mislead the Commission, and those facts seem to be very important to this proceeding, what the present applicant had considered under similar circumstances when they happened to be on the other side of the fence.

I think it very definitely goes to develop facts in this record that are very vital to the Commission.

Exam. HANBACK. I would like to know where the evidence comes in.

Mr. GLANTZ. The evidence, Mr. Examiner——

Exam. HANBACK (interposing). Was this evidence under oath or is this a conclusion of someone who prepared a brief?

Mr. GLANZ. I am not prepared to answer that. I didn't prepare the exhibit. But it seems to me that the principle is nevertheless there. Counsel are the ones who work out the theory of a case. Now, here are counsel and counsel's remarks as to their theory of a case when they happened to be on the other side of the fence. Now, that theory may be entirely inconsistent with their present theory. I think those facts are facts——

1948 Exam. HANBACK (interposing). Is this not the proper thing to put in a brief?

Mr. FARRENS. How would we get it in a brief, may I inquire from the Examiner? How in the world would we get that in in a brief? Can we refer in a brief to an exhibit which is not part of the record?

Exam. HANBACK. Wouldn't it have been more appropriate to have incorporated the actual testimony instead of introducing a part of a brief?

Mr. FARRENS. If the Examiner please, counsel who wrote that brief were speaking for and on behalf of their clients, Consolidated Freightways and Oregon-Nevada-California Fast Freight, making certain representations of fact to the Commission. Particularly on the second page they were making representations of fact to the Commission with respect to this joint service. Now, it isn't necessary for me to comb a record which may be six inches thick when I have condensed on two pages the final representations made by the counsel speaking for their companies concerning facts as they existed on December 23, 1938, with respect to this specific service here under discussion.

Mr. SCHAFER. I would like to say it is necessary under the very Rule 13, upon which you are relying here.

Mr. BEROL. I would suggest to Mr. Farrens that counsel who prepared that brief is present. Perhaps he would like to call him as his witness and then he would have testimony. But,

1949 going beyond that, I don't want to unduly lengthen this argument, but I do wish to present one observation, and that is this: Where is a thing like this going to lead us? Counsel wants to offer a portion of a brief that was written by counsel who are present. Suppose that is received in evidence and I desire to rebut whatever presumptions might be raised by that par-

ticular portion of a brief? We have as parties to this proceeding counsel who represented another applicant some two years ago, the Pierce Auto Freight Lines, and that counsel at that time was seeking a certificate of public convenience and necessity and that counsel at that time made certain representations in his brief as to the fact that public convenience and necessity required a new certificate.

Suppose I get that brief and make extractions therefrom and attempt to offer that, is that going to get us anywhere? And we could continue that ad infinitum.

Chairman TERRIL. Let us take a few minutes recess and we will defer ruling for the time being.

(Whereupon a short recess was taken.)

Chairman TERRIL. Let us be in order, gentlemen.

The exhibit offered will be marked for identification as "Exhibit No. 30" in this matter and the ruling of the offer in evidence will be deferred until a later time.

(Exhibit 30 received in evidence.)

May the record show one additional objection that I have
1950 not made heretofore?

Chairman TERRIL. Very well.

Mr. BEROL. And that is that it appears on the proffered exhibit itself that one of the co-authors is Frank C. McCullough, who is a partner of Paul Farrens offering the exhibit and, therefore, constitutes a self-serving document on the part of the offerer.

Mr. SCHAFER. I would like also to add that Division 5's finding in this case, Pacific Truck Express——

Chairman TERRIL (interposing). I might call your attention that the exhibit has not been received, Mr. Schafer.

Mr. FARRENS. I will have no objection to the Commission's finding, if it is offered.

Chairman TERRIL. Does that complete your offer of the exhibit, Mr. Farrens?

Mr. FARRENS. It does.

Mr. ELLIS. At this time I offer in evidence extracts from the testimony of Witness Leland James before the Interstate Commerce Commission in Docket No. MC 17539, Sub. No. 1, application of Pierce Auto Freight Lines, Inc., being found in transcript pages 395 to 398, inclusive, and 400 to 404, inclusive.

Mr. SCHAFER. I will ask that the date be shown on this exhibit, the date of the testimony.

Mr. ELLIS. We will undertake to supply that. The
1951 transcript is up in the room. I don't have it in the hearing room.

Mr. SCHAFER. Roughly, what was the date of the hearing?

Mr. ELLIS. 1937. However, the case is pending on the Commission's docket.

Mr. SCHAFER. I want only the date when Mr. James testified be shown on this exhibit and I will be agreeable to marking the testimony as having been given in 1937, if it is all right with you.

Chairman TERRIL. Is 1937 satisfactory?

Mr. SCHAFER. Yes, 1937.

Chairman TERRIL. That is sufficient date for you?

Mr. SCHAFER. Yes.

Chairman TERRIL. What is the purpose of this exhibit, Mr. Ellis?

Mr. ELLIS. The purpose is to indicate that in connection with an application similar in character to the two now before the Commission, particularly to that of Consolidated Freightways, the presiding officer of the applicant in this case took the position that the interchange of freight as then carried on was entirely satisfactory, and the position that should his company at any time apply for through operating rights between San Francisco Bay points and Portland there would be very little traffic for the Oregon-California Fast Freight to subsist on.

In that case the witness anticipated just the situation
1952 we have here and went on record as saying that if they ever applied there would be no traffic left to sustain the O. C. operation. That witness has already testified in this case.

Chairman TERRIL. Any objections to the receipt of this?

Mr. SCHAFER. That is objected to upon the grounds that it is to remote to be of value in determining the question of public convenience and necessity at the present date. Several years ago the volume of freight was entirely different. It is entirely possible that the joint service was at that time satisfactory to general needs, but the situation has been shown to have changed substantially since then.

Chairman TERRIL. The objection will go to the weight rather than the admissibility. It will be received and marked as Exhibit No. 31 in this matter.

(Exhibit 31 received in evidence.)

Mr. ELLIS. I also offer in evidence as Exhibit No. 32 extracts from the testimony of Witness O. C. Bennett before the Interstate Commerce Commission in Docket No. MC 17593, Sub. No. 1, on re-hearing, it being pages 540C, 543C; to 547C, inclusive, of that record, being the same case as referred to in Exhibit No. 31, which is at this time pending before the Commission.

Mr. SCHAFER. I would like to object to this on another ground: That the representations made in that case were overruled by the Interstate Commerce Commission and the Interstate Com-

merce Commission there found in the case which we are here
1953 considering that the joint service was not adequate to the public needs and that a through service was superior to a joint service, and we are perfectly justified in abandoning the position that we took in this case.

Mr. ELLIS. This witness appeared on behalf of this applicant on re-hearing, the re-hearing granted at this applicant's request, which has not yet been determined by Division No. 5. It is now pending before the Division.

Chairman TERRIL. The objection will be overruled. The exhibit will be received in evidence and marked as No. 32.

(Exhibit 32 received in evidence.)

Chairman TERRIL. Anything further, Mr. Ellis?

Mr. ELLIS. Not at this time.

Chairman TERRIL. You are next, Mr. Kendall.

1965 Chairman TERRIL. Is there any short witness available that cannot readily be available tomorrow morning?

Mr. FARRENS. Mr. White tells me he will be available tomorrow morning at 10:00 o'clock.

Examiner HANBACK. Mr. Chairman, I would suggest that we hold a night meeting.

Chairman TERRIL. The attitude of the Joint Board has been made known previously in this case and in the case of the Oregon-Nevada-California Fast Freight, and that is that
1966 it is almost unalterably opposed to night sessions. The Board feels that a day session is sufficient for the good of everybody concerned.

Mr. BEROL. In that regard, I want it understood that I don't like night sessions any better than has been stated by the Joint Board Member that he likes them. However, we have a situation here that has been running all summer. I understand that there are only three more days allotted for this proceeding. Would it not be well to ascertain from the Protestants as to whether we are going to complete the case in these three days without the necessity of night sessions?

Chairman TERRIL. Off the record.

(Remarks outside the record.)

Chairman TERRIL. We will adjourn at this time. If it is necessary, of course, the Joint Board will order a night session if we can complete a hearing by holding the night session.

Ten o'clock tomorrow morning.

(Whereupon, at 4:55 o'clock p. m., an adjournment was taken to October 16, 1940 at 10:00 o'clock a. m.)

1967 Before the Interstate Commerce Commission

Docket No. MC–42487 (Sub. No. 15)

In the matter of the Application, as amended, of Consolidated Freightways, Inc., of 2029 North West Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, over the following routes:

Route No. 1—Between San Francisco, Calif., and Medford, Oreg., via Arbuckle, Calif.

Route No. 2—Between San Francisco, Calif., and Klamath Falls, Oreg., via Arbuckle and Weed, Calif.

Route No. 3—Between the junction of U. S. Highway 40 with U. S. Highway 99W (West of Davis, Calif.) and Redding, Calif., via Marysville, Calif.

Route No. 4—Between Redding, Calif., and Lakeview, Oreg.

Route No. 5—Between Goshen, Oreg., and the junction of Oregon Highway 58 with U. S. Highway 97 near Crescent, Oreg.

Route No. 6—Between Marshfield, Oreg., and San Francisco, Calif., via Eureka and Santa Rosa, Calif.

1968 Docket No. MC 42487 (Sub. No. 18)

In the matter of the application of Consolidated Freightways, Inc., of 2029 N. W. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate, in the States of California and Oregon, between San Francisco, Calif., and Ontario, Oreg., via Woodland, Williams and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

Docket No. MC 42487 (Sub. No. 19)

In the matter of the application of Consolidated Freightways, Inc., of 2029 N. W. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Marshfield, Oreg.

Docket No. MC 42487 (Sub. No. 20)

In the matter of the application of Consolidated Freightways, Inc., of 2029 N. W. Quimby Street, Portland, Oregon, for a certificate of public convenience and necessity, Form BMC–8, authorizing extension of operations as a common carrier by motor vehicle in the transportation of commodities generally, in interstate commerce, in the States of California and Oregon, between San Francisco, Calif., and Medford, Oreg., via Woodland, Williams and Red Bluff, Calif., with alternate route via Sacramento and Marysville, Calif.

A more detailed statement of route or routes (or territory) is contained in said application, copies of which are on file and may be inspected at the office of the Interstate Commerce Commission, Washington, D. C., or offices of the boards, commissions, or officials of the States involved in this application.

1969 SAN FRANCISCO, CALIFORNIA,

October 16, 1940, 10:10 A. M.

Before Joint Board No. 11: C. T. Terril, Chairman; Warren K. Brown, H. L. Hanback, Examiner.

Hearing resumed.

Appearances: Same as heretofore noted.

PROCEEDINGS

Chairman TERRIL. Let us be in order, gentlemen.

Are you ready to proceed?

Mr. SCHAFER. Before we leave the other case, I have given more consideration to the effect of introducing only the cross-examination of Mr. Gritsch. Without waiving my objections to the introduction of the whole matter I will agree that, or, I would like to ask that his testimony on direct be incorporated by reference in this record. It is so obviously unfair for me to be confronted with only the cross-examination, which is just a part of what he said, just a part of the facts testified to.

Mr. FARRENS. I have no objection to his entire testimony being incorporated by reference.

Chairman TERRIL. Do I hear any objection? (No response.)

1970 Hearing none, the testimony of J. A. Gritsch on direct, as well as on cross, which is in by exhibit, will be considered incorporated into the record of the Consolidated Matter.

Mr. HOLBROOK. And the questions by the Board, too, please.

Chairman TERRIL. I beg your pardon?

Mr. HOLBROOK. And the questions and answers given to the Board.

Chairman TERRIL. In connection with that?

Mr. HOLBROOK. Yes.

Mr. SCHAFER. All of his testimony at that time.

Chairman TERRIL. Correct.

(Reporter's Note: By stipulation by and between all counsel of record entered into at transcript pages 1891 and 1892 of above-entitled matter, transcript pages 1,416 through 2,454 of Docket MC-9115 (Sub. No. 1) are incorporated by reference in the instant proceedings and shall be equally applicable, unless otherwise specifically designated, to both Docket MC-42487 (Sub. Nos. 15, 18, 19, 20) and Docket No. MC-9115 (Sub. No. 1)).

1971 EVENING SESSION

(At 1:16 a. m. October 20, 1940, hearing was resumed.)

Chairman TERRIL. We will now reopen or resume the hearing in the matter of the application of Consolidated Freightways, No. MC-42487, Sub. Nos. 15, 18, 19, and 20.

I' will be understood in this matter that it has been previously stipulated and agreed that all protestants' testimony pertaining to the Oregon-Nevada-California Fast Freight application, except as otherwise specifically designated, would be incorporated by reference, based on stipulation, in the Consolidated Freightways case, the same being MC-42487, Sub. Nos. 15, 18, 19, and 20.

We are now adjourning the hearing in this matter to the Multnomah Hotel, Portland, Oregon, on October 31, 1940 at 31:00 p. m.

It is further understood that if briefs are to be filed in this matter, that the date will be set as January 15, 1941, and that at the conclusion of the hearing in Portland, Oregon, Donald Schafer, counsel for the applicant herein, will notify all interested parties of that decision.

We now stand adjourned, to the time and place fixed, at 11:59¾ p. m., October the 19th.

(Whereupon, at 1:17 a. m., October 20, 1940, an adjournment was taken to October 31, 1940, at Portland, Oregon.)

1972 MULTNOMAH HOTEL,

Portland, Oregon, October 29, 1940.

Before Joint Board No. 11, composed of C. T. Terrill, representing the Public Utilities Commissioner of Oregon and the representative of the State of California, being absent.

Present, also, H. L. Hanback, Interstate Commerce Commission examiner, being present to assist the Joint Board.

Hearing continued, pursuant to adjournment. 3:00 P. M.

Appearances: (No additional appearances.)

1974 PROCEEDINGS

Chairman TERRIL. We are now resuming the matter of the Consolidated Freightways, which matter has been heard in both Portland and San Francisco, and which was adjourned to this time and place, pursuant to a stipulation made on October 19, 1940.

This case will be recessed while we hear the testimony that was to be heard in Docket MC 9115, Sub. No. 1, which was also adjourned to this time. This case will be recessed pending the testimony taken in the Oregon-Nevada-California case.

(Recess.)

Chairman TERRIL. Now, we will resume the hearing upon the application of the Consolidated Freightways, hereinabove referred to.

As stipulated in the record of the Oregon-Nevada-California Fast Freight, the testimony given today is to be considered by reference in this record. I understand there is no further testimony to be offered in this case?

Mr. SCHAFER. That is correct.

Chairman TERRIL. Do the Consolidated Freightways desire to file a brief in this case?

Mr. SCHAFER. That is correct; we do.

Chairman TERRIL. The record will show in this matter that at the San Francisco hearing, which was continued to this time and place, it was tentatively stated that briefs should be

1975 filed, if required, on January 15; and the Board is now fixing January 15, 1941, as the date upon which briefs shall be filed. It is understood that Mr. Schafer is to notify all interested parties of his position with regard to filing a brief. There being no further testimony or evidence to be entered in this matter, the record will be closed, and the matter is now submitted for determination to the Commission.

(At 5:00 p. m. October 29, 1940, hearing concluded.)

1976 *Plaintiffs' Exhibit No. 4*

EXHIBITS

(CONSOLIDATED FREIGHTWAYS, INC.

Docket MC 42487—Sub. Nos. 15, 18, 19, and 20

1977 *Exhibit No. 2*

Docket MC 42487—Sub. 15, 18, 19, 20

Witness Weisler

Time and Service Schedule governing the proposed extension of Service between San Francisco and Sacramento, California, on

the one hand and Klamath Falls, Medford, Marshfield, and Lakeview, Oregon, on the other hand, in the following classes of Service as defined by the Interstate Commerce Commission

A-1-6-17
B-1-6-17

1978 TABLE OF CONTENTS

	Page
Classes of Service, Definition of	3
Explanation of Abbreviations	3
Index of Stations	6, 7, 8, 9
Service Schedules:	
Section One—Schedules Governing Classes A and B Service:	
General Application of Schedules: Intermediate Service	5
Route No. 1—Showing Routes and Terminals served between San Francisco and Sacramento, California, and Portland, Oregon, along the California and Oregon Coast Highways	10, 11
Route No. 2—Showing Routes and Terminals served between San Francisco and Sacramento, California, and Seattle, Washington	12, 13, 14
Route No. 3—Showing Routes and Terminals served between San Francisco and Sacramento, California, on the one hand—and Points in Central Washington; Yakima Valley, Washington; Points along the Columbia River from Arlington, Oregon, to Portland, Oregon (including Portland)	15, 16, 17, 18
Route No. 4—Showing Routes and Terminals served between San Francisco and Sacramento, California, on the one hand—and Missoula, Montana; Spokane, Washington; Huntington and John Day, Oregon, on the other hand—via Highways U. S. 97 and U. S. 99 (The Dalles-California Highway)	19, 20, 21, 22
Route No. 5—Showing Routes and Terminals served between San Francisco and Sacramento, California, and Lakeview, Oregon	23
Time Schedules:	
Section Two—Schedules Governing Class A Service:	
Explanation of Characters	33
Notes Governing Application of Schedules	33
Schedule A	25 to 31 incl.
Schedule B	32

1979 Explanation of Abbreviations

&—And.
Calif.—California.
D—Daily except Sundays and Holidays.
E—East.
Fri.—Fridays.
Ida.—Idaho.
Mon.—Mondays.
Mont.—Montana.
M-W-F—Mondays, Wednesdays, Fridays.
N—North.
Ore.—Oregon.

S.—South.
St.—State Highways.
T-T-S—Tuesdays, Thursdays, Saturdays.
US—United States Highway.
W—West.
Wn.—Washington.

Classes of Service, Definition of

The types of service set forth in this schedule are included in the following groups and subgroups, under the official classification of the Interstate Commerce Commission covering Common Carriers of property by motor vehicle:

Groups:
- Class A—Regular Route, Scheduled Service.
- Class B—Regular Route, Nonscheduled Service.

Subgroups:
- Class 1—Carrier of general Freight.
- Class 6—Carrier of refrigerated solid products.
- Class 17—Carrier of Livestock.

1980 SECTION ONE—SERVICE SCHEDULES GOVERNING CLASSES A AND B SERVICE, GEOGRAPHICALLY ARRANGED

1981 GENERAL APPLICATION OF SCHEDULES

Intermediate Service

Except as otherwise provided, intermediate service is rendered to all points not specifically listed but located on highways designated as routes and to points located on passable roads and not farther than one mile from a designated route.

1892

Index of Stations

Station	Section One	Section Two Index No.	Station	Section One	Section Two Index No.
Adrian, Wn		7320	Ashland, Ore		3280
Albany, Ore		1580, 2470, 3800	Auburn, Wn		2820
Alberton, Mont		7440	Azalea, Ore		3370
Alfalfa, Wn		4500	Baker, Ore	Schedule A	6940
Algoma, Ore		2300, 6300	Bandon, Ore		1180
Alturas, Calif		8240	Beatty, Ore		2294
Anderson, Calif		2100, 3100, 6100, 8100	Bend, Ore	Schedule A	6390
Anlauf, Ore		1310, 3630	Bieber, Calif		8230
Arbuckle, Calif		2050, 3050, 6050, 8050	Biggs, Ore		6000
Arcata, Calif		1120	Blalock, Ore		6630
Arlington, Ore	Schedule A	6640, 6650, 6780, 7010	Blewett, Wn		4460
			Bly, Ore		2295
			Boardman, Ore		7020
			Bonneville, Ore		3970
			Bridal, Veil Ore		3960

Index of Stations—Continued

Station	Section One	Section Two Index No.
Bridge, Ore		3470
Brockway, Ore		3430
Brookings, Ore		1150
Brothers, Ore		6460
Buena, Wn		4200, 4550
Burke, Wn		4300
Burney, Calif		8220
Burns, Ore	Schedule A	6485
Bush, Wn		2720
Cabin City, Mont		7390
Camas, Wn		4080
Camas Valley, Ore		3450
Canyonville, Ore		3380
Cascade Locks, Ore		3980
Cashmere, Wn		4440
Castle Rock, Wn		2660
Central Point, Ore		3320
Centralia, Wn	Schedule A	2690
Chehalis, Wn		2680
Chemult, Ore	Schedule A	2350, 6350
Cheney, Wn		7190
Chico, Calif	Schedule A	2180, 3180, 6180, 8180
Chiloquin, Ore		2320, 6320
Cle Elum, Wn	Schedule A	4270, 4480
Coeur D'Alene, Ida		7340
Cold Springs, Ore		6872
Comstock, Ore		1320, 3640
Condon, Ore		6690
Connell, Wn		7090
Coos Bay Pulp & Paper Mill.	Schedule B	1230
Coquille, Ore	Schedule A	1190, 3490
Corning, Calif		2080, 3080, 6080, 8080
Corvallis, Ore		1460, 2540, 3870
Cottage Grove, Ore		1340, 3660
Coulee City, Wn		4350
Coulee Dam Site, Wn	Schedule A	4360
Crane, Ore	Schedule B	6487
Crescent, Ore		6360
Crescent City, Calif	Schedule A	1140
Creswell, Ore		1370, 3690
Cyr, Mont		7430
Dairy, Ore		2293
Davenport, Wn	Schedule A	7230
Davis Jct., Calif		2030, 3030, 6030, 8030
Dayville, Ore		6750
Deborgia, Mont		7380
Desmet, Mont		7470
Dillard, Ore		3410
Dillon, Ore		4040
Divide, Ore		1330, 3650
Dixie, Ore		6980
Dorris, Calif	Schedule A	2260, 6260
Downs, Wn		7260
Drain, Ore		1290, 3610
Dryden, Wn		4450
Dundee, Ore		1490, 2570, 3900
Dunsmuir, Calif		2220, 3220, 6220
Durkee, Ore		6960
Echo, Ore		6810
Elkton, Ore		1280
Ellensburg, Wn	Schedule A	4240, 4250, 4280
Eltopia, Wn		7080
Emigrant Park, Ore		6840
Empire, Ore		1220
Ephrata, Wn		4320
Eugene, Ore	Schedule A	1390, 1410, 2380, 2400, 3710, 3730
Eureka, Calif	Schedule A	1100
Fairfield, Calif		2020, 3020, 6020, 8020
Five Points, Ore		6870
Forest Grove, Mont		7420
Fort Klamath, Ore		2340, 6340
Fortuna, Calif		1090
Fossil, Ore		6710
1983 Frenchtown, Mont		7460
Gap Ranch, Ore		6480
Geyserville, Calif		1050
Gilchrist, Ore		6370
Glendale, Ore		3365
Gold Beach, Ore		1160
Goldendale, Wn		4140
Gold Hill, Ore		3330
Goshen, Ore		1380, 2370, 3700
Grandview, Wn		4590
Granger, Wn		4570
Grants Pass, Ore	Schedule A	3350
Grass Valley, Ore		6570
Gridley, Calif		2170, 3170, 6170, 8170
Gwendolen, Ore		6680
Haines, Ore		6930
Halsey, Ore		1550, 3440, 3770
Hampton, Ore		6470
Harrington, Wn		7420
Harrisburg, Ore		1540, 2430, 3760
Haugan, Mont		7375
Hauser, Ore		1250
Heppner Jct., Ore		7015
Hermiston, Ore		6790
Hilt, Calif		3270
Holdman, Ore		6783
Hood River, Ore		3990
Hopland, Calif		1060
Hornbrook, Calif		3260
Hot Lake, Ore		6900
Huntington, Ore	Schedule A	7000
Huson, Mont		7450
Irrigon, Ore		7030
Jefferson, Ore		1590, 2480, 3810
John Day, Ore		6770
Junction City, Ore		1420, 1440, 1530, 2410, 2420, 2530, 3740, 3750, 3850
Kamela, Ore		6860
Kelso, Wn	Schedule A	2630
Kennewick, Wn	Schedule A	7060, 4620
Kent, Wn		2830
Kimberley, Ore		6740
Kiona, Wn		4610
Klamath, Calif		1130
Klamath Agency, Ore.		2330, 6330
Klamath Falls, Ore	Schedule A	2290, 2291, 2298, 6290
Lacey, Wn		2750
La Grande, Ore	Schedule A	6890
Lakeview, Ore	Schedule A	2297, 6360
Lamona, Wn		7270
Langlois, Ore		1170
La Pine, Ore		6380
Leona, Ore		1300, 3600
Lime, Ore		6990
Lincoln, Calif		2140, 3140, 6140, 8140
Lind, Wn		7100
Longview, Wn	Schedule A	2640

Index of Stations—Continued

Station	Section One	Section Two Index No.
Lyle, Wn.		4120
McMinnville, Ore.		1480, 2560, 3890
Mabton, Wn.		4520
Macdoel, Calif.		2250, 6250
Madras, Ore.		6530, 6550
Mae, Wn.		7150
Marlin, Wn.		7290
Marshfield, Ore.	Schedule A.	1200, 1210, 3500
Marysville, Calif.	Schedule A.	2150, 3150, 6150, 8150
Mayville, Ore.		6700
Meacham, Ore.		6850
Medford, Ore.	Schedule A.	3310
Midland, Ore.		2280, 6280
Miller, Ore.		4050
Millican, Ore.		6450
Mission, Ore.		6830
Missoula, Mont.	Schedule A.	7480
Modoc Point, Ore.		2310, 6310
Mohler, Wn.		7250
Monmouth, Ore.		1470, 2550, 3880
Monroe, Ore.		1450, 2530, 3860
Moro, Ore.		6580
Mosier, Ore.		4000
Mount Shasta, Calif.		2230, 3230, 6230
Mount Vernon, Ore.		6760
Myrtle Creek, Ore.		3400
Myrtle Point, Ore.		3480
Nelson, Ore.		6970
Neppel, Wn.		7140
Newberg, Ore.		1500, 2580, 3910
New Pine Creek, Ore.		8250
North Bend, Ore.	Schedule A.	1240, 3510
North Powder, Ore.		6920
Norway, Ore.		3485
Oakland, Calif.		2010, 3010, 6010, 8010
Oakland, Ore.	Schedule A.	3590
Oakridge, Ore.		2360
Odessa, Wn.		7280
Offut Lake, Wn.		2710
Olene, Ore.		2242
Olex, Ore.		6670
1984 Olympia, Wn.	Schedule A.	2740
Oregon City, Ore.		1610, 2500, 3830
Orland, Calif.		2070, 3070, 6070, 8070
Oromite Mine, Ore.	Schedule B.	6510
Ostrander, Wn.		2650
Outlook, Wn.		
Parker, Wn.		
Pasco, Wn.		4630, 7070
Pendleton, Ore.	Schedule A.	6820
Perry, Ore.		6880
Petaluma, Calif.		1030
Phoenix, Ore.		3300
Pleasant Valley, Ore.		6950
Pomona, Wn.		4230
Portland, Ore.	Schedule A.	1520, 1620, 2510, 2600, 2610, 3840, 3930, 3940, 4060
Powell Butte, Ore.		6410
Prineville, Ore.	Schedule A.	6420
Prosser, Wn.		4530, 4600
Puyallup, Wn.		2800
Quartz Mountain, Ore.		2296
Quincy, Wn.		4310, 4320, 4370
Quinton, Ore.		6620
Reardon, Wn.		7220
Red Bluff, Calif.	Schedule A.	2090, 2190, 3090, 3190, 6090, 6190, 8090, 8190
Redding, Calif.	Schedule A.	2110, 2200, 2210, 3110, 3200, 3210, 6110, 6200, 6210, 8110, 8200, 8210
Redmond, Ore.	Schedule A.	6400, 6490
Reedsport, Ore.		1270
Remote, Ore.		3460
Richland, Wn.		
Riddle, Ore.		3390
Ritzville, Wn.		7110, 7120, 7160
Rock Island, Wn.		4390
Roque River, Ore.		3340
Roseburg, Ore.	Schedule A.	3420, 3520, 3550
Roseville, Calif.		2130, 3130, 6130, 8130
Rowena, Ore.		4010
Rufus, Ore.		6610
St. Regis, Mont.		7400
Sacramento, Calif.	Schedule A.	2120, 3120, 6120, 8120
Saginaw, Ore.		1350, 3670
Salem, Ore.	Schedule A.	1600, 2490, 3820
Saltese, Mont.		7370
San Francisco, Calif.	Schedule A.	1000, 2000, 3000, 6000, 8000
San Rafael, Calif.		1020
Santa Rosa, Calif.		1040
Satus, Wn.		4510
Sausalito, Calif.		1010
Seattle, Wn.	Schedule A.	2780, 2840
Service Creek, Ore.		6720
Seufert, Ore.		4030
Shaniko, Ore.		6560
Shedd, Ore.		1560, 2450, 3780
Shutler, Ore.		6660
Sisters, Ore.	Schedule B.	6430
Smithville, Wn.		4130
Soap Lake, Wn.		4340
Spokane, Wn.	Schedule A.	7200, 7210, 7330
Sprague, Wn.		7170
Spray, Oreg.		6730
Springfield, Ore.	Schedule B.	1400, 2390, 3720
Stanfield, Ore.		6800
Stevenson, Wn.		4100
Stratford, Wn.		7310
Sumner, Wn.		2810
Sunnyside, Wn.		4580
Superior, Mont.		7410
Sutherlin, Ore.		3540, 3580
Suttle Lake, Ore.	Schedule B.	6440
Tacoma, Wn.	Schedule A.	2760, 2770, 2790
Taft, Mont.		7360
Talent, Ore.		3290
Tangent, Ore.		1570, 2460, 3790
Teanaway, Wn.		4260, 4470
Tenino, Wn.		2700

Index of Stations—Continued

Station	Section One	Section Two Index No.
Ten Mile, Ore		3440
Terrebonne, Ore		6500, 6520
The Dalles, Ore	Schedule A	4020
Tigard, Ore		1510, 2500, 3920
Toledo, Wn		2670
Toppenish, Wn		4150, 4160, 4190, 4490, 4540
Trinidad, Wn		4380
Troutdale, Ore		3950
Tumwater, Ore		2730
Tyler, Wn		7180
Ukiah, Calif		1070
Umatilla, Ore		7040
1985 Umpqua, Ore	Schedule B	3530
Union Gap, Wn		4180, 4210
Union, Ore		6910
Vancouver, Wn	Schedule A	2620, 4070
Vantage Bridge, Wn		4290
Walker, Ore		1360, 3680
Wallace, Ida		7350
Wallula, Wn		7060
Wapato, Wn		4170
Warm Springs, Ore	Schedule B	6540
Wasco, Ore		6590
Washougal, Wn		4090
Waterville, Wn		4420
Weed, Calif	Schedule A	2240, 3240, 6240
Wenatchee, Wn	Schedule A	4400, 4410, 4430
Wheeler, Wn		7130
White Salmon, Wn		4110
Wilbur, Ore		3570
Willits, Calif		1080
Willows, Calif		2060, 3060, 6060, 8060, 7300
Wilson Creek, Wn		3560
Winchester, Ore		1260
Winchester Bay, Ore		3360
Wolf Creek, Ore		2040, 3040, 6040, 8040
Woodland, Calif		2270, 6270
Worden, Ore		4220
Yakima, Wn	Schedule A	3250
Yreka, Calif		3600
Yoncalla, Ore		2160, 3160, 6160, 8160
Yuba City, Calif		4560
Zillah, Wn		

1986 SECTION ONE.—SERVICE SCHEDULES

Route No. 1.—Showing routes and terminals served between San Francisco and Sacramento, California, and Portland, Oregon, along the California and Oregon Coast Highways, in Classes A and B–1–6–17 service

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
1000	San Francisco, Calif.[1]	0	D	US 101		
1010	Sausalito, Calif	9	D	do		
1020	San Rafael, Calif	23	D	do		
1030	Petaluma, Calif	41	D	do		
1040	Santa Rosa, Calif	58	D	do		
1050	Geyserville, Calif	81	D	do		
1060	Hopland, Calif	104	D	do		
1070	Ukiah, Calif	121	D	do		
1080	Willits, Calif	145	D	do		
1090	Fortuna, Calif	270	D	do		
1100	Eureka, Calif.[1]	290	D	do		
1120	Arcata, Calif	299	D	do		
1130	Klamath, Calif	354	D	do		
1140	Crescent City, Calif.[1]	376	D	do		
1150	Brookings, Ore	405	D	do		
1160	Gold Beach, Ore	442	D	do		
1170	Longlois, Ore	487	D	do		
1180	Bandon, Ore	501	D	do		14
1190	Coquille, Ore	519	D	do		14
1200	Marshfield, Ore.[1]	537	D	do		14
1210	Marshfield, Ore.[1]	0	D	County Road		14
1220	Empire, Ore.[1]	5	D	County Road		14
1230	Coos Bay Pulp and Paper Mills.[1]	6	D	County Road		14
1240	North Bend, Ore.[1]	540	D	US 101		
1250	Hauser, Ore	548	D	do		

See footnotes at end of table.

Route No. 1.—Showing routes and terminals served between San Francisco and Sacramento, California, and Portland, Oregon, along the California and Oregon Coast Highways, in Classes A and B–6–17 service—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
1260	Winchester Bay, Ore	563	D	US 101		
1270	Reedsport, Ore	568	D	US 101–St 38		1–3
1280	Elkton, Ore	613	D	do		1–3
1290	Drain, Ore	627	D	US 101–St 38–US 99		1–3
1300	Leona, Ore	630	D	do		
1310	Anlauf, Ore	634	D	do		
1320	Comstock, Ore	636	D	do		
1330	Divide, Ore	640	D	do		
1340	Cottage Grove, Ore	645	D	do		
1350	Saginaw, Ore	648	D	do		
1360	Walker, Ore	649	D	do		
1370	Creswell, Ore	654	D	do		
1380	Goshen, Ore	660	D	do		
1390	Eugene, Ore.[1]	666	D	do		
1400	Springfield, Ore.[1]	4	D	US 101–St 38–US 99–28		
1410	Eugene, Ore.[1]	666	D	US 101–St 38–US 99		
1420	Junction City, Ore	680	D	do		1–2
1440	Junction City, Ore	680	On call	do	US 101–St 38	1–1, 1–2
1967						
1450	Monroe, Ore	688	On call		US 99–99W	1–1, 1–2
1460	Corvallis, Ore	705	On call		do	1–1, 1–2
1470	Monmouth, Ore	725	On call		do	1–1, 1–2
1480	McMinnville, Ore	758	On call		do	1–1, 1–2
1490	Dundee, Ore	764	On call		do	1–1, 1–2
1500	Newberg, Ore	767	On call		do	1–1, 1–2
1510	Tigard, Ore	782	On call		do	1–1, 1–2
1520	Portland, Ore.[1]	790	On call		do	1–1, 1–2
1530	Junction City, Ore	680	D	US 101–St 38–US 99–99E		1–2
1540	Harrisburg, Ore	684	D	do		1–2
1550	Halsey, Ore	693	D	do		1–2
1560	Shedd, Ore	698	D	do		1–2
1570	Tangent, Ore	704	D	do		1–2
1580	Albany, Ore	711	D	do		1–2
1590	Jefferson, Ore	720	D	do		1–2
1600	Salem, Ore.[1]	737	D	do		1–2
1610	Oregon City, Ore	775	D	do		1–2
1620	Portland, Ore.[1]	788	D	do		1–2

North-bound—Read down. South-bound—Read up.

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in Section Two for time schedule reference.

NOTE 1-1.—On Call service rendered on shipments of 5,000 pounds or more when request for service is made at terminal nearest shipping point, not less than 12 hours in advance of next regular schedule.

NOTE 1-2.—No local service rendered on shipments moving between Portland, Oregon, and points north of Eugene, Oregon, or between points intermediate thereto. Service is given on south-bound traffic from these points destined to Eugene, Oregon, or points south thereof, or on north-bound traffic originating at Eugene, Oregon, or points south thereof.

NOTE 1-3.—No local service rendered on shipments moving to, from, or between points west of Drain, Oregon, to and including Reedsport, Oregon, on State Highway No. 38. Service is given to and from Drain, Oregon, and points south of Reedsport, Oregon.

NOTE 1-4.—No local service rendered on shipments moving between Myrtle Point, Oregon, and North Bend, Oregon, or points intermediate thereto.

1988 *Route No. 2.—Showing routes and terminals served between San Francisco and Sacramento, California, and Seattle, Washington, in Classes A and B–1–6–17 service*

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
2000	San Francisco, Calif.[1]	0	D	St 40		
2010	Oakland, Calif.[1]	9	D	do		
2020	Fairfield, Calif	43	D	do		
2030	Davis Jct., Calif	83	D	St 40–US 99W		
2040	Woodland, Calif	92	D	do		
2050	Arbuckle, Calif	120	D	do		
2060	Willows, Calif	159	D	do		
2070	Orland, Calif	175	D	do		
2080	Corning, Calif	188	D	do		
2090	Red Bluff, Calif.[1]	206	D	St 40–US 99W–99		
2100	Anderson, Calif	229	D	do		
2110	Redding, Calif.[1]	237	D	do		
2120	Sacramento, Calif.[1]	0	D	US 99		
2130	Roseville, Calif	21	D	US 99–99E		
2140	Lincoln, Calif	31	D	do		
2150	Marysville, Calif.[1]	55	D	do		
2160	Yuba City, Calif	57	D	do		
2170	Gridley, Calif	72	D	do		
2180	Chico, Calif.[1]	104	D	do		
2190	Red Bluff, Calif.[1]	144	D	US 99–99E–99		
2200	Redding, Calif.[1]	175	D	do		
2210	Redding, Calif.[1]	237	D	St 40–US 99E–99W–99		
2220	Dunsmuir, Calif	295	D	do		
2230	Mt. Shasta, Calif	304	D	do		
2240	Weed, Calif.[1]	313	D	St 40–US 99E–99W–99–97.		
2250	Macdoel, Calif	354	D	do		
2260	Dorris, Calif.[1]	365	D	do		
2270	Worden, Ore	372	D	do		
2280	Midland, Ore	378	D	do		
2290	Klamath Falls, Ore.[1]	386	D	do		
2291	Klamath Falls, Ore.[1]	386	D	St 66		
2292	Olene, Ore	395	D	do		
2293	Dairy, Ore	404	D	do		
2294	Bentty, Ore	425	D	do		
2295	Bly, Ore	438	D	do		
2296	Quartz Mountain, Ore	451	D	do		
2297	Lakeview, Ore.[1]	483	D	do		
2298	Klamath Falls, Ore.[1]	386	D	St 40–US 99E–99W–99–97.		
2300	Algoma, Ore	397	D	do		
2310	Modoc Point, Ore	405	D	do		
2320	Chiloquin, Ore	6	D	County Road		
2330	Klamath Agency, Ore	417	D	St 40–US 99E–99W–99–97.		
2340	Fort Klamath, Ore	425	D	do		
2350	Chemult, Ore.[1]	462	D	do		
2360	Oakridge, Ore	521	D	St 40–US 99E–99W–99 97–St 58.		
1989						
2370	Goshen, Ore	557	D	St 40–US 99E–99W–99–US 97–St 58–US 99.		
2380	Eugene, Ore.[1]	564	D	do		
2390	Springfield, Ore.[1]	4	D	US 28		
2400	Eugene, Ore.[1]	564	D	St 40–US 99E–99W–99 US 97–St 58–US 99.		
2410	Junction City, Ore	578	D	do		3-I
2420	Junction City, Ore	578	D	St 40–US 99E–99W–99–US 97–St 58–US 99E.		3-I
2430	Harrisburg, Ore	582	D	do		3-I
2440	Halsey, Ore	591	D	do		3-I
2450	Shedd, Ore	596	D	do		3-I
2460	Tangent, Ore	602	D	do		3-I
2470	Albany, Ore	609	D	do		3-I
2480	Jefferson, Ore	619	D	do		3-I
2490	Salem, Ore.[1]	637	D	do		3-I
2500	Oregon City, Ore	675	D	do		3-I
2510	Portland, Ore.[1]	688	D	do		

[1] Indicates stations shown in Section Two for Time Schedule reference.

Route No. 2.—Showing routes and terminals served between San Francisco and Sacramento, California, and Seattle, Washington, in Classes A and B–1–6–17 Service—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
2520	Junction City, Ore	578	On call		St 40–US 99E–99W US 99–97–St 58 US 99.	2–1, 2–2
2530	Monroe, Ore	586	On call		do	2–1, 2–2
2540	Corvallis, Ore	603	On call		do	2–1, 2–2
2550	Monmouth, Ore	623	On call		do	2–1, 2–2
2560	McMinnville, Ore	650	On call		do	2–1, 2–2
2570	Dundee, Ore	662	On call		do	2–1, 2–2
2580	Newberg, Ore	665	On call		do	2–1, 2–2
2590	Tigard, Ore	679	On call		do	2–1, 2–2
2600	Portland, Ore.[1]	688	On call		do	2–1, 2–2
2610	Portland, Ore.[2]	688	D	St 40–US 99E – 99W–99 US 97–St 58–US 99E–99W–99.		
2620	Vancouver, Wn.[1]	696	D	do		
2630	Kelso, Wn.[1]	740	D	do		
2640	Longview, Wn.[1]	741	D	do		
2650	Ostrander, Wn	745	D	do		
2660	Castle Rock, Wn	752	D	do		
1990						
2670	Toledo, Wn	766	D	St 40–US 99E–99W–99–US 97–St 58–US 99E–99W–99.		
2680	Chehalis, Wn	781	D	do		
2690	Centralia, Wn [1]	785	D	do		
2700	Tenino, Wn	801	D	do		
2710	Offut Lake, Wn	805	D	do		
2720	Bush, Wn	809	D	do		
2730	Tumwater, Wn	813	D	do		
2740	Olympia, Wn [1]	816	D	do		
2750	Lacey, Wn	819	D	do		
2760	Tacoma, Wn [1]	848	D	do		
2770	Tacoma, Wn [1]	848	D	do		
2780	Seattle, Wn [1]	878	D	do		
2790	Tacoma, Wn [1]	848	D	St 40–US 99E–99W–99–97.		
2800	Puyallup, Wn	852	D	St 58–US 99E–99W–99–St 5.		
2810	Sumner, Wn	855	D	do		
2820	Auburn, Wn	863	D	do		
2830	Kent, Wn	871	D	do		
2840	Seattle, Wn [1]	887	D	do		

North-bound—Read down. South-bound—Read up.

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in Section Two for Time Schedule reference.

NOTE 2–1.—On Call service rendered on shipments of 5,000 pounds or more when request for service is made at terminal nearest shipping point, not less than 12 hours in advance of next regular schedule.

NOTE 2–2.—No local service rendered on shipments moving between Portland, Oregon and points north of Eugene, Oregon or between points intermediate thereto. Service is given on south-bound traffic from these points destined to Eugene, Oregon or points south thereof, or on north-bound traffic originating at Eugene, Oregon or points south thereof.

1991 *Route No. 3—Showing routes and terminals served between San Francisco and Sacramento, California, on the one hand—and points in Central Washington; Yakima Valley, Washington; points along the Columbia River from Arlington, Oregon, to Portland, Oregon (including Portland) in Classes A and B–1–6–17 service*

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
3000	San Francisco, Calif.[1]	0	D	St 40		
3010	Oakland, Calif.[1]	9	D	do		
3020	Fairfield, Calif	43	D	do		
3030	Davis Jct., Calif	83	D	St 40–US 99W		
3040	Woodland, Calif	92	D	do		
3050	Arbuckle, Calif	120	D	do		
3060	Willows, Calif	159	D	do		
3070	Orland, Calif	175	D	do		
3080	Corning, Calif	188	D	do		
3090	Red Bluff, Calif.[1]	206	D	St 40–US 99W–99		
3100	Anderson, Calif	229	D	do		
3110	Redding, Calif.[1]	237	D	do		
3120	Sacramento, Calif.[1]	0	D	US 99		
3130	Roseville, Calif	21	D	US 99–99E		
3140	Lincoln, Calif	31	D	do		
3150	Marysville, Calif.[1]	55	D	do		
3160	Yuba City, Calif	57	D	do		
3170	Gridley, Calif	72	D	do		
3180	Chico, Calif.[1]	104	D	do		
3190	Red Bluff, Calif.[1]	144	D	US 99–99E–99		
3200	Redding, Calif.[1]	175	D	do		
3210	Redding, Calif.[1]	237	D	St 40–US 99E–99W–99		
3220	Dunsmuir, Calif	295	D	do		
3230	Mt. Shasta, Calif	304	D	do		
3240	Weed, Calif.[1]	313	D	St 40–US 99E–99W–99		
3250	Yreka, Calif	339	D	do		
3260	Hornbrook, Calif	354	D	do		
3270	Hilt, Calif	362	D	do		
3280	Ashland, Ore	381	D	do		
3290	Talent, Ore	386	D	do		
3300	Phoenix, Ore	388	D	do		
3310	Medford, Ore.[1]	393	D	do		
3320	Central Point, Ore	397	D	do		
3330	Gold Hill, Ore	406	D	do		
3340	Rogue River, Ore	415	D	do		
3350	Grants Pass, Ore.[1]	425	D	do		
3360	Wolf Creek, Ore	449	D	do		
3365	Glendale, Ore	3	D	County Road		
1992						
3370	Azalea, Oreg	462	D	St 40–US 99E–99W–99		
3380	Canyonville, Ore	472	D	do		
3390	Riddle, Ore	4	D	County Road		
3400	Myrtle Creek, Ore	483	D	St 40–US 99E–99W–99		
3410	Dillard, Ore	494	D	do		
3420	Roseburg, Ore.[1]	504	D	do		
3430	Brockway, Ore	8	D	St 42		
3440	Tenmile, Ore	17	D	do		
3450	Camas Valley, Ore	25	D	do		
3460	Remote, Ore	42	D	do		
3470	Bridge, Ore	49	D	do		
3480	Myrtle Point, Ore	60	D	do		
3485	Norway, Ore	63	D	do		
3490	Coquille, Ore.[1]	69	D	do		
3500	Marshfield, Ore.[1]	87	D	do		
3510	North Bend, Ore.[1]	90	D	do		
3520	Roseburg, Ore.[1]	0	D	US 99		
3530	Umpqua, Ore	14	Fridays	County Road		
3540	Sutherlin, Ore	23	Fridays	County Road		
3550	Roseburg, Ore.[1]	504	D	St 40–US 99E–99W–99		
3560	Winchester, Ore	509	D	do		
3570	Wilbur, Ore	512	D	do		
3580	Sutherlin, Ore	517	D	do		
3590	Oakland, Ore	520	D	do		
3600	Yoncalla, Ore	534	D	do		
3610	Drain, Ore	539	D	do		
3620	Leona, Ore	542	D	do		
3630	Anlauf, Ore	546	D	do		

[1] Indicates stations shown in Section Two for time schedule reference.

Route No. 3.—Showing routes and terminals served between San Francisco and Sacramento, California—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
3640	Comstock, Ore	548	D	ST 40 US 99E-99W-99		
3650	Divide, Ore	552	D	do		
3660	Cottage Grove, Ore	557	D	do		
3670	Saginaw, Ore	560	D	do		
3680	Walker, Ore	561	D	do		
3690	Creswell, Ore	579	D	do		
3700	Goshen, Ore	585	D	do		
3710	Eugene, Ore.[1]	592	D	do		
3720	Springfield, Ore	4	D	US 28		
3730	Eugene, Ore.[1]	592	D	St 40-US 99E-99W-99		
3740	Junction City, Ore	606	D	do		
3750	Junction City, Ore	606	D	St 40-US 99E-99W-99-99E.		
3760	Harrisburg, Ore	610	D	do		
3770	Halsey, Ore	619	D	do		
3780	Shedd, Ore	624	D	do		
1993						
3790	Tangent, Ore	630	D	St 40-US99E-99W-99-99E.		
3800	Albany, Ore	637	D	do		
3810	Jefferson, Ore	646	D	do		
3820	Salem, Ore.[1]	663	D	do		
3830	Oregon City, Ore	701	D	do		
3840	Portland, Ore.[1]	714	D	do		
3850	Junction City, Ore	606	D	St 40-US99E-99W-99-99W.		
3860	Monroe, Ore	614	D	do		
3870	Corvallis, Ore	630	D	do		
3880	Monmouth, Ore	650	D	do		
3890	McMinnville, Ore	678	D	do		
3900	Dundee, Ore	690	D	do		
3910	Newberg, Ore	693	D	do		
3920	Tigard, Ore	708	D	do		
3930	Portland, Ore.[1]	716	D	do		
3940	Portland, Ore.[1]	716	D	US 30		
3950	Troutdale, Ore	15	D	do		
3960	Bridal Veil, Ore	31	D	do		
3970	Bonneville, Ore	43	D	do		
3980	Cascade Locks, Ore	47	D	do		
3990	Hood River, Ore	67	D	do		
4000	Mosier, Ore	74	D	do		
4010	Rowena, Ore	83	D	do		
4020	The Dalles, Ore.[1]	92	D	do		
4030	Seufert, Ore	95	D	do		
4040	Dillon, Ore	102	D	do		
4050	Miller, Ore	112	D	do		
4060	Portland, Ore.[1]	714	D	US 99		
4070	Vancouver, Wn.[1]	722	D	US 99-830		
4080	Camas, Wn	736	D	do		
4090	Washougal, Wn	739	D	do		
4100	Stevenson, Wn	766	D	do		
4110	White Salmon, Wn	786	D	do		
4120	Lyle, Wn	798	D	do		
4130	Smithville, Wn	821	D	do		
4140	Goldendale, Wn	836	D	do		
4150	Toppenish, Wn.[1]	868	D	US 99-830-97		
4160	Toppenish, Wn.[1]	0	D	do		
4170	Wapato, Wn.[1]	6	D	County Road		
4180	Union Gap, Wn.[1]	15	D	do		
1994						
4190	Toppenish, Wn.[1]	888	D	do		
4200	Buena, Wn	892	D	US 99-830-97		
4210	Union Gap, Wn	904	D	do		
4220	Yakima, Wn.[1]	907	D	do		
4230	Pomona, Wn	916	D	do		
4240	Ellensburg, Wn.[1]	943	D	do		
4250	Ellensburg, Wn.[1]	0	D	US 97		
4260	Teanaway, Wn	20	D	US 97-10		
4270	Cle Elum, Wn	25	D	do		
4280	Ellensburg, Wn.[1]	943	D	US 99-830-97		

[1] Indicates stations shown in Section Two for time schedule reference.

Route No. 3.—Showing routes and terminals served between San Francisco and Sacramento, California—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
4290	Vantage Bridge, Wn	974	D	US 99-830-97-St 7		
4300	Burke, Wn	986	D	do		
4310	Quincy, Wn	996	D	do		
4320	Quincy, Wn	0	D	St 7		
4330	Ephrata, Wn	18	D	do		
4340	Soap Lake, Wn	25	D	do		
4350	Coulee City, Wn	50	D	do		
4360	Coulee Dam Site, Wn	31	D	St 7-2 (Grand Coulee)		
4370	Quincy, Wn	996	D	US 99-830-97-St 7-10		
4380	Trinidad, Wn	1004	D	do		
4390	Rock Island, Wn	1018	D	do		
4400	Wenatchee, Wn.[1]	1029	D	do		
4410	Wenatchee, Wn.[1]	0	D	US 10		
4420	Waterville, Wn	30	D	do		
4430	Wenatchee, Wn.[1]	0	D	US 10-97		
4440	Cashmere, Wn	12	D	do		
4450	Dryden, Wn	17	D	do		
4460	Blewett, Wn	31	D	do		
4470	Teanaway, Wn	61	D	do		
4480	Cle Elum, Wn	65	D	do		
4490	Toppenish, Wn.[1]	0	D	US 97		
4500	Alfalfa, Wn	5	On call		County Road	
4510	Satus, Wn	11	On call		County Road	
4520	Mabton, Wn	19	D	County Road		
4530	Prosser, Wn	30	D	US 97-410		
4540	Toppenish, Wn.[1]	0	D	US 97		
4550	Buena, Wn	4	D	US 97-410		
4560	Zillah, Wn	8	D	do		
4570	Granger, Wn	14	D	do		
4580	Sunnyside, Wn	24	D	do		
4590	Grandview, Wn	31	D	do		
4600	Prosser, Wn	39	D	do		
4610	Kiona, Wn	53	D	do		
4620	Kennewick, Wn	65	D	do		
4630	Pasco, Wn	69	D	do		

North-bound—Read down

South-bound—Read up.

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in Section Two for time schedule reference.

1995 *Route No. 4.—Showing routes and terminals served between San Francisco and Sacramento, California, on the one hand—and Missoula, Montana; Spokane, Washington; Huntington and John Day, Oregon, on the other hand—via Highways US 97 and US 99 (known as The Dalles-California Highway) in Classes A and B-1-6-17 service*

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
6000	San Francisco, Calif.[1]	0	D	St 40		
6010	Oakland, Calif.[1]	9	D	do		
6020	Fairfield, Calif	43	D	do		
6030	Davis Jct., Calif	83	D	St 40-US 99W		
6040	Woodland, Calif	92	D	do		
6050	Arbuckle, Calif	120	D	do		
6060	Willows, Calif	159	D	do		
6070	Orland, Calif	175	D	do		
6080	Corning, Calif	188	D	do		
6090	Red Bluff, Calif.[1]	206	D	St 40-US 99W-99		
6100	Anderson, Calif	226	D	do		
6110	Redding, Calif.[1]	237	D	St 40-US 99W-99		
6120	Sacramento, Calif.[1]	0	D	US 99		
6130	Roseville, Calif	21	D	US 99-99E		
6140	Lincoln, Calif	31	D	do		
6150	Marysville, Calif.[1]	55	D	do		
6160	Yuba City, Calif	57	D	do		

[1] Indicates stations shown in Section Two for time schedule reference.

Route No. 4.—Showing routes and terminals served between San Francisco and Sacramento, California, etc.—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
6170	Gridley, Calif	72	D	US 99-99E		
6180	Chico, Calif.[1]	104	D	do		
6190	Red Bluff, Calif.[1]	144	D	do		
6200	Redding, Calif.[1]	175	D	US 99-99E-99		
6210	Redding, Calif.[1]	237	D	St 40-US 99E-99W-99		
6220	Dunsmuir, Calif	295	D	do		
6230	Mt. Shasta, Calif	304	D	do		
6240	Weed, Calif.[1]	313	D	St 40-US 99E-99W-99-97		
6250	Macdoel, Calif	354	D	do		
6260	Dorris, Calif.[1]	365	D	do		
6270	Worden, Ore	372	D	do		
6280	Midland, Ore	378	D	do		
6290	Klamath Falls, Ore.[1]	386	D	do		
6300	Algoma, Ore	397	D	do		
6310	Modoc Point, Ore	405	D	do		
6320	Chiloquin, Ore	6	D	County Road		
6330	Klamath Agency, Ore	417	D	St 40-US 99E-99W-99-97		
6340	Fort Klamath, Ore	425	D	do		
6350	Chemult, Ore.[1]	462	D	do		
6360	Crescent, Ore	480	D	St 40-US 99E-99W-99-97		
6370	Gilchrist, Ore	481	D	do		
6380	Lapine, Ore	496	D	do		
6390	Bend, Ore.[1]	530	D	do		
6400	Redmond, Ore.[1]	546	D	do		
6410	Powell Butte, Ore	8	D	US 28		
6420	Prineville, Ore.[1]	19	D	do		
6430	Sisters, Ore.[1]	30	Mon.	US 28		
6440	Suttle Lake, Ore.[1]	35	Mon.	US 28-St 54		
1996						
6450	Millican, Ore	25	D	St 54		
6460	Brothers, Ore	43	D	do		
6470	Hampton, Ore	64	D	do		
6480	Gap Ranch, Ore	92	D	do		
6485	Burns, Ore.[1]	132	D	do		
6487	Crane, Ore	29	Fri.	St 78		
6490	Redmond, Ore.[1]	546	D	St 40-US 99E-99W-99-97		
6500	Terrebonne, Ore	552	D	do		
6510	Oromite Mine, Ore.[1]	7	Fri.	County Road		
6520	Terrebonne, Ore	552	D	St 40-US 99E-99W-99-97		
6530	Madras, Ore	574	D	do		
6540	Warm Springs, Ore.[1]	15	T-T-S	County Road		
6550	Madras, Ore	574	D	St 40-US 99E-99W-99-97		
6560	Shaniko, Ore	614	D	do		
6570	Grass Valley, Ore	643	D	do		
6580	Moro, Ore	653	D	do		
6590	Wasco, Ore	662	D	do		
6600	Biggs, Ore	672	D	St 40-US 99E-99W-99		
6610	Rufus, Ore	677	D	US 97-30		
6620	Quinton, Ore	691	D	do		
6630	Blalock, Ore	697	D	do		
6640	Arlington, Ore.[1]	706	D	do		
6650	Arlington, Ore.[1]	0	D	St 40-US 99E-99W-99-US 97-30-St 19.		
6660	Shutler, Ore	7	D	do		
6670	Olex, Ore	17	D	do		
6680	Gwendolen, Ore	30	D	do		
6690	Condon, Ore	38	D	do		
6700	Mayville, Ore	51	D	do		
6710	Fossil, Ore	59	D	do		
6720	Service Creek, Ore	80	D	do		
6730	Spray, Ore	92	D	do		
6740	Kimberly, Ore	105	D	do		
6750	Dayville, Ore	131	D	St 40-US 99E-99W-99-US97-30-St 19-US 28.		
6760	Mt. Vernon, Ore	154	D	do		
6770	John Day, Ore.[1]	163	D	do		
6780	Arlington, Ore.[1]	0	D	St 40-US 99E-99W-99 US 97-30.		
6781	Umatilla, Ore	751	D	St 40-US 99E-99W-99-US97-30.		

[1] Indicates stations shown in Section Two for time schedule reference.

Route No. 4.—Showing routes and terminals served between San Francisco and San Francisco and Sacramento, California, etc.—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
1997						
6782	Cold Springs, Ore	762	D	St 40-US 99E-99W-99-US 97-30-395.		
6783	Holdman, Ore	775	D	do		
6790	Hermiston, Ore	52	D	St 40-US 99E-99W-99-US 97-30.		
6800	Stanfield, Ore	58	D	do		
6810	Echo, Ore	61	D	do		
6820	Pendleton, Ore.	81	D	do		
6830	Mission, Ore	87	D	do		
6840	Emigrant Park, Ore	108	D	do		
6850	Meacham, Ore	111	D	do		
6860	Kamela, Ore	117	D	do		
6870	Five Points, Ore	129	D	do		
6880	Perry, Ore	132	D	do		
6890	La Grande, Ore	136	D	do		
6900	Hot Lake, Ore	145	D	do		
6910	Union, Ore	151	D	do		
6920	North Powder, Ore	167	D	do		
6930	Haines, Ore	175	D	do		
6940	Baker, Ore	186	D	do		
6950	Pleasant Valley, Ore	200	D	do		
6960	Durkee, Ore	211	D	do		
6970	Nelson, Ore	217	D	do		
6980	Dixie, Ore	222	D	do		
6990	Lime, Ore	227	D	do		
7000	Huntington, Ore.[1]	232	D	do		
7010	Arlington, Ore.[1]	706	D	St 40-US 99E-99W-99-97-US 30.		
7015	Heppner Jct., Ore	717	D	do		
7020	Boardman, Ore	732	D	do		
7030	Irrigon, Ore	744	D	do		
7040	Umatilla, Ore	751	D	do		
7050	Wallula, Wn	779	D	St 40-US 99E-99W-99-97-US 30-730-395.		
7060	Kennewick, Wn.[1]	797	D	St 40-US 99E-99W-99-97-US 30-730-395-410.		
7070	Pasco, Wn	799	D	St 40-US 99E-99W-99-97-US 30-730-395-410-395.		
7080	Eltopia, Wn	817	D	do		
7090	Connell, Wn	835	D	do		
7100	Lind, Wn	863	D	do		
7110	Ritzville, Wn	880	D	do		
7120	Ritzville, Wn	0	D	St 18		
1998	7130 Wheeler, Wn	38	D	St 18		
7140	Neppel, Wn	44	D	do		
7150	Mae, Wn	53	D	do		
7160	Ritzville, Wn	880	D	St 40-US 99E-99W-99-97-US 30-730-395-410-395.		
7170	Sprague, Wn	904	D	do		
7180	Tyler, Wn	919	D	do		
7190	Cheney, Wn	929	D	do		
7200	Spokane, Wn.[1]	948	D	do		
7210	Spokane, Wn.[1]	0	D	US 10		
7220	Reardon, Wn	24	D	do		
7230	Davenport, Wn	37	D	do		
7240	Harrington, Wn	51	D	US 10-St 7		
7250	Mohler, Wn	58	D	do		
7260	Downs, Wn	61	D	do		
7270	Lamona, Wn	66	D	do		
7280	Odessa, Wn	76	D	do		
7290	Marlin, Wn	95	D	do		
7300	Wilson Creek, Wn	103	D	do		
7310	Stratford, Wn	110	D	do		
7320	Adrian, Wn	116	D	do		
7330	Spokane, Wn.[1]	948	D	St 40-US 99E-99W-99-97-30-730-395-410-395-10.		
7340	Coeur D'Alene, Ida	981	D	do		
7350	Wallace, Ida	1033	D	do		
7360	Taft, Mont	1051	D	do		
7370	Saltese, Mont	1058	D	do		

[1] Indicates stations shown in Section Two for time schedule reference.

Route No. 4.—Showing routes and terminals served between San Francisco and San Francisco and Sacramento, California, etc.—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
7375	Haugan, Mont	1063	D	St 40-US 99E-99W-99-97-30-730-395-410-395-10.		
7380	DeBorgia, Mont	1070	D	do		
7390	Cabin City, Mont	1073	D	do		
7400	St. Regis, Mont	1084	D	do		
7410	Superior, Mont	1097	D	do		
7420	Forest Grove, Mont	1109	D	do		
7430	Cyr, Mont	1113	D	do		
7440	Alberton, Mont	1125	D	do		
7450	Huson, Mont	1135	D	do		
7460	Frenchtown, Mont	1140	D	do		
7470	Desmet, Mont	1149	D	do		
7480	Missoula, Mont.[1]	1156	D	do		

North-bound—Read down. South-bound—Read up.

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in section two for Time Schedule reference.

1999 *Route No. 5.—Showing routes and terminals served between San Francisco and Sacramento, California, and Lakeview, Oregon, in Classes A and B–1–6–17 service for full truck loads (otherwise via Klamath Falls)*

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
8000	San Francisco, Calif.[1]	0	On call			
8010	Oakland, Calif.[1]	9	do		St 40	
8020	Fairfield, Calif	43	do		do	
8030	Davis Jct., Calif	83	do		do	
8040	Woodland, Calif	92	do		St 40-US 99W	
8050	Arbuckle, Calif	120	do		do	
8060	Willows, Calif	159	do		do	
8070	Orland, Calif	175	do		do	
8080	Corning, Calif	188	do		do	
8090	Red Bluff, Calif.[1]	200	do		do	
8100	Anderson, Calif	229	do		St 40-US 99W-99	
8110	Redding, Calif.[1]	237	do		do	
8120	Sacramento, Calif.[1]	0	do		do	
8130	Roseville, Calif	21	do		US 99	
8140	Lincoln, Calif	31	do		US 99-99E	
8150	Marysville, Calif.[1]	55	do		do	
8160	Yuba City, Calif	57	do		do	
8170	Gridley, Calif	72	do		do	
8180	Chico, Calif.[1]	104	do		do	
8190	Red Bluff, Calif.[1]	144	do		do	
8200	Redding, Calif.[1]	175	do		US 99-99E-99	
8210	Redding, Calif.[1]	237	do		do	
8220	Burney, Calif	288	do		St 40-US 99E-99W-99.	
8230	Bieber, Calif	323	do		St 40-US 99E-99W—US 99-299.	
8240	Alturas, Calif.[1]	380	do		do	
8250	New Pine Creek, Ore	419	do		St 40-US 99E-99W—US 99-299-395.	
8260	Lakeview, Ore.[1]	433	do		do	

North-bound—Read down. South-bound—Read up.

(See Page 3 for explanation of abbreviati .)

[1] Indicates stations shown in Section Two for time schedule reference.

Governing Class A and B Service, Alphabetically Arranged

Schedule A

See page 33 for notes and explanation of abbreviations

To / From—	Arlington Ore.		Baker Ore.		Bend, Ore.		Burns, Ore.		Centralia, Wn.		Chemult, Ore.		Chico, Calif.		Cle Elum, Wn.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore.													3 M	3 M		
Baker, Ore.													3 M	3 M		
Bend, Ore.													2 M	2 M		
Burns, Ore.													3 M	3 M		
Centralia, Wn.													3 M	2 M		
Chemult, Ore.													2 M	2 M		
Chico, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	3 M	3 M	3 M	2 M	2 M	1 A			4 M	3 M
Cle Elum, Wn.													4 M	3 M		
Coquille, Ore.													2 M	2 M		
Coulee Dam Site, Wn.													4 M	3 M		
Crescent City, Calif.	3 M	3 M	3 M	3 M	3 M	3 M	3 M	3 M	3 M	3 M	3 M	3 M			4 M	4 M
Davenport, Wn.													4 M	3 M		
Dorris, Cal.													3 M	2 M		
Ellensburg, Wn.													2 M	1 M		
Eugene, Ore.															4 M	4 M
Eureka, Calif.	4 M	3 M	4 M	3 M	4 M	3 M	4 M	3 M	4 M	3 M	4 M	2 M	2 M	1 M		
Grants Pass, Ore.													3 M	3 M		
Huntington, Ore.													3 M	3 M		
Kelso, Wn.													3 M	3 M		
Kennewick, Wn.													1 M	1 M		
Klamath Falls, Ore.													3 M	2 M		
La Grande, Ore.													2 M	1 M		
Lakeview, Ore.													3 M	2 M		
Longview, Wn.													2 M	2 M		
Marshfield, Ore.															4 M	3 M
Marysville, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M		
Medford, Ore.													4 M	3 M		
Missoula, Mont.													2 M	2 M		
North Bend, Ore.																

Oakland, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A	1 M	1 M	4 M	3 M
Olympia, Wn.													3 M	2 M		
Pendleton, Ore.													3 M	2 M		
Portland, Ore.													2 M	2 M		
Prineville, Ore.													2 M	2 M		
Red Bluff, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	2 M	2 M	2 M	1 A			4 M	3 M
Redding, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	2 M	2 M	2 M	1 A			4 M	3 M
Redmond, Ore.													2 M	2 M		
Roseburg, Ore.													2 M	1 M		
Sacramento, Calif.	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Salem, Ore.													2 M	2 M		
San Francisco, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A	1 M	1 M	4 M	3 M
Seattle, Wn.													3 M	2 M		
Spokane, Wn.													3 M	2 M		
Tacoma, Wn.													3 M	2 M		
The Dalles, Ore.													3 M	2 M		
Vancouver, Wn.													2 M	2 M		
Weed, Calif.	3 M	2 M	3 M	2 M	3 M	2 M	3 M	2 M	3 M	2 M	2 M	1 A				
Wenatchee, Wn.													3 M	2 M		
Yakima, Wn.													3 M	2 M		

2002 To.....

From—	Coquille, Ore.		Coulee Dam Site, Wn.		Crescent City, Cal.		Davenport Wn.		Dorris, Cal.		Ellensburg, Wn.		Eugene, Ore.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore					2 A	2 A			3 M	2 M				
Baker, Ore					2 A	2 A			3 M	2 M				
Bend, Ore					2 A	2 A			2 M	2 M				
Burns, Ore					3 A	3 A			3 M	3 M				
Centralia, Wn					2 A	2 A			3 M	2 M				
Chemult, Ore					2 A	2 A			2 M	1 M				
Chico, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 A	1 A
Cle Elum, Wn					3 A	3 A			3 M	3 M				
Coquille, Ore					1 M	1 M			2 M	2 M				
Coulee Dam Site, Wn					3 M	3 M			3 M	3 M				
Crescent City, Calif	1 A	1 A	3 M	3 M			3 M	3 M			3 M	3 M	2 M	2 M
Davenport, Wn					3 A	3 A			3 M	3 M				
Dorris, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 M	1 A
Ellensburg, Wn					2 A	2 A			2 M	2 M				
Eugene, Ore					2 M	2 M			1 M	1 M				
Eureka, Calif	1 A	1 A	3 M	3 M			3 M	3 M			3 M	3 M	2 M	2 M
Grants Pass, Ore					1 A	1 A			1 M	1 M				
Huntington, Ore					2 A	2 A			3 M	2 M				
Kelso, Wn					2 A	2 A			3 M	2 M				
Kennewick, Wn					2 A	2 A			2 M	2 M				
Klamath Falls, Ore					2 A	2 A			1 M	1 M				
La Grande, Ore					2 A	2 A			2 M	2 M				
Lakeview, Ore					2 A	2 A			2 M	1 M				
Longview, Wn					2 A	2 A			3 M	2 M				
Marshfield, Ore					1 M	1 M			2 M	2 M				
Marysville, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	3 M	2 M	1 A
Medford, Ore					1 A	1 A			1 M	1 M				
Missoula, Mont					3 A	3 A			3 M	3 M				
North Bend, Ore					1 M	1 M			2 M	2 M				
Oakland, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 M	1 A
Olympia, Wn					2 A	2 A			3 M	2 M				
Pendleton, Ore					2 A	2 A			3 M	2 M				
Portland, Ore					1 A	1 A			2 M	1 M				
Prineville, Ore					2 A	2 A			2 M	2 M				
Red Bluff, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 M	1 A
Redding, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 M	1 A
Redmond, Ore					2 A	2 A			2 M	2 M				
Roseburg, Ore					1 A	1 A			2 M	2 M				
Sacramento, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 M	1 A

Salem, Ore					1 A	1 A			2 M	1 M				
San Francisco, Calif	2 M	1 A	3 M	2 M	2 M	1 A	3 M	2 M	1 M	1 M	3 M	2 M	2 M	1 A
Seattle, Wn					2 A	2 A			2 M	1 A				
Spokane, Wn					2 A	2 A			2 M	2 M				
Tacoma, Wn					2 A	2 A			2 M	1 A				
The Dalles, Ore					2 A	2 A			3 M	2 A				
Vancouver, Wn					2 A	2 A			2 M	1 A				
Weed, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 M	1 A
Wenatchee, Wn					3 A	2 A			4 M	3 A				
Yakima, Wn					2 A	2 A			3 M	2 A				

2003 To.....

From—	Eureak, Calif.		Grants Pass, Ore.		Huntington, Ore.		Kelso, Wn.		Kennewick, Wn.		Klamath Falls, Ore.		La Grande, Ore.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore	2 A	2 A												
Baker, Ore	2 A	2 A												
Bend, Ore	2 A	2 A												
Burns, Ore	3 A	3 A												
Centralia, Wn	2 A	2 A												
Chemult, Ore	2 A	2 A												
Chico, Calif			2 M	1 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Cle Elum, Wn	3 A	3 A												
Coquille, Ore	1 A	1 M												
Coulee Dam Site, Wn	3 A	3 A												
Crescent City, Calif			1 M	2 M	3 M	3 M	3 M	3 M	3 M	3 M	3 M	2 M	3 M	3 M
Davenport, Wn	3 A	3 A												
Dorris, Calif			3 M	2 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Ellensburg, Wn	2 A	2 A												
Eugene, Ore	1 A	1 A												
Eureka, Calif			2 M	2 M	4 M	3 M	4 M	3 M	4 M	3 M	4 M	3 M	3 M	3 M
Grants Pass, Ore	2 A	1 A												
Huntington, Ore	3 A	3 A												
Kelso, Wn	2 A	2 A												
Kennewick, Wn	2 A	2 A												
Klamath Falls, Ore	2 A	2 A												
La Grande, Ore	2 A	2 A												
Lakeview, Ore	2 A	2 A												
Longview, Wn	2 A	2 A												
Marshfield, Ore	2 M	1 M												
Marysville, Calif			2 M	1 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Medford, Ore	2 A	1 A												
Missoula, Mont	3 A	3 A												
North Bend, Ore	2 M	1 M												
Oakland, Calif	1 M	1 M	2 M	1 A	3 M	2 M	3 M	2 M	3 M	2 M	1 A	1 M	3 M	2 M
Olympia, Wn	2 A	2 A												
Pendleton, Ore	2 A	2 A												
Portland, Ore	1 A	2 M												
Prineville, Ore	2 A	2 A												
Red Bluff, Calif			2 M	1 A	3 M	2 M	3 M	2 M	3 M	2 M	1 A	1 M	3 M	2 M
Redding, Calif			2 M	1 A	3 M	2 M	3 M	2 M	3 M	2 M	1 A	1 M	3 M	2 M
Redmond, Ore	2 A	2 A												
Roseburg, Ore	1 A	1 A												
Sacramento, Calif			2 M	1 A	3 M	2 M	3 M	2 M	3 M	2 M	1 A	1 M	3 M	2 M

| | | |

2004 To.....

From—	Lakeview, Ore.		Longview, Wn.		Marshfield, Ore.		Marysville, Calif.		Medford, Ore.		Missoula, Mont.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore							3 M	2 M				
Baker, Ore							3 M	2 M				
Bend, Ore							2 M	2 M				
Burns, Ore							3 M	3 M				
Centralia, Wn							3 M	2 M				
Chemult, Ore	2 M	1 A	3 M	2 M	2 M	2 M	2 M	1 M	1 M	1 M	4 M	3 M
Chico, Calif							4 M	3 M				
Cle Elum, Wn							2 M	2 M				
Coquille, Ore							4 M	3 M	1 A	1 A	4 M	4 M
Coulee Dam Site, Wn	2 A	2 A	3 M	3 M	1 M	1 M	4 M	4 M	2 M	2 M	4 M	3 M
Crescent City, Calif												
Davenport, Wn	2 M	1 A	3 M	2 M	2 M	2 M	3 M	3 M				
Dorris, Calif							2 M	1 M	1 A	1 A	4 M	4 M
Ellensburg, Wn												
Eugene, Ore	2 A	2 A	3 M	3 M	1 M	1 M	2 M	1 M				
Eureka, Calif							4 M	4 M				
Grants Pass, Ore							3 M	2 M				
Huntington, Ore							3 M	3 M				
Kelso, Wn							2 M	2 M				
Kennewick, Wn							3 M	3 M				
Klamath Falls, Ore							1 M	1 M				
La Grande, Ore							3 M	2 M				
Lakeview, Ore							3 M	2 M				
Longview, Wn									1 M	1 M	4 M	3 M
Marshfield, Ore	2 M	1 A	3 M	2 M	2 M	2 M	1 M	1 M				
Marysville, Calif							4 M	3 M				
Medford, Ore							3 M	2 M	1 A	1 M	4 M	3 M
Missoula, Mont												
North Bend, Ore	2 M	1 A	3 M	2 M	2 M	1 A	3 M	2 M				
Oakland, Calif							3 M	2 M				
Olympia, Wn							2 M	2 M				
Pendleton, Ore							2 M	2 M				
Portland, Ore									1 M	1 M	4 M	3 M
Prineville, Ore	1 A	1 A	3 M	2 M	1 M	1 M			1 M	1 M	4 M	3 M
Red Bluff, Calif	1 A	1 A	3 M	2 M	1 M	1 M						
Redding, Calif							2 M	2 M				
Redmond, Ore							2 M	2 M				
Roseburg, Ore									1 A	1 M	4 M	3 M
Sacramento, Calif	2 M	1 A	3 M	2 M	2 M	1 A						

| | | |

2005 To.....

From—	North Bend, Ore.		Oakland, Calif.		Olympia, Wn.		Pendleton, Ore.		Portland, Ore.		Prineville, Ore.		Red Bluff, Calif.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore			3 M	2 M									3 M	2 M
Baker, Ore			3 M	2 M									3 M	2 M
Bend, Ore			2 M	2 M									2 M	2 M
Burns, Ore			3 M	3 M									3 M	3 M
Centralia, Wn			3 M	2 M									3 M	2 M
Chemult, Ore			2 M	1 M									2 M	1 M
Chico, Calif	2 M	2 M			3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M		
Cle Elum, Wn			4 M	3 M									4 M	3 M
Coquille, Ore			2 M	1 M									2 M	2 M
Coulee Dam Site, Wn			4 M	3 M									4 M	3 M
Crescent City, Calif	1 M	1 M			3 M	3 M	3 M	3 M	2 M	2 M	3 M	3 M		
Davenport, Wn			4 M	3 M									4 M	3 M
Dorris, Calif	2 M	2 M			3 M	2 M	3 M	2 M	2 M	2 M	2 M	1 A		
Ellensburg, Wn			3 M	2 M									3 M	2 M
Eugene, Ore			2 M	1 M									2 M	1 M
Eureka, Calif	2 M	1 A			3 M	3 M	3 M	3 M	2 M	2 M	3 M	3 M		
Grants Pass, Ore			2 M	1 M									1 M	1 M
Huntington, Ore			4 M	3 M									4 M	3 M
Kelso, Wn			3 M	2 M									3 M	2 M
Kennewick, Wn			3 M	2 M									3 M	2 M
Klamath Falls, Ore			1 A	1 M									1 M	1 M
La Grande, Ore			3 M	2 M									3 M	2 M
Lakeview, Ore			1 A	1 M									1 M	1 M
Longview, Wn			3 M	2 M									3 M	2 M
Marshfield, Ore			2 M	1 M									2 M	2 M
Marysville, Calif	2 M	2 M			3 M	2 M	3 M	2 M	2 M	2 M	2 M	1 A		
Medford, Ore			1 A	1 M									1 M	1 M
Missoula, Mont			4 M	3 M									4 M	3 M
North Bend, Ore			2 M	1 M									2 M	2 M
Oakland, Calif	2 M	1 A			3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M	1 M	1 M
Olympia, Wn			3 M	2 M									1 M	1 M
Pendleton, Ore			3 M	2 M									3 M	2 M
Portland, Ore			2 M	2 M									3 M	2 M
Prineville, Ore			2 M	2 M									2 M	2 M
Red Bluff, Calif	2 M	2 M			3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M		
Redding, Calif	2 M	2 M			3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M		
Redmond, Ore			2 M	2 M									2 M	2 M
Roseburg, Ore			2 M	1 M									2 M	1 M
Sacramento, Calif	2 M	2 M			3 M	2 M	3 M	2 M	2 M	2 M	2 M	1 A		

Salem, Ore			2 M	1 M									2 M	1 M
San Francisco, Calif	2 M	1 A			3 M	2 M	3 M	2 M	2 M	2 M	2 M	1 A	1 M	1 M
Seattle, Wn			3 M	2 M										
Spokane, Wn			3 M	2 M										
Tacoma, Wn			3 M	2 M										
The Dalles, Ore			3 M	2 M										
Vancouver, Wn			2 M	2 M										
Weed, Calif	2 M	2 M	1 M	1 M	3 M	2 M	3 M	2 M	2 M	2 M	2 M	1 A		
Wenatchee, Wn			4 M	3 M										
Yakima, Wn			3 M	2 M										

See footnotes at end of table.

2006 To.....

From—	Redding, Calif.		Redmond, Ore.		Roseburg, Ore.		Sacramento, Calif.		Salem, Ore.		San Francisco, Cal.		Seattle, Wn.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
Baker, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
Bend, Ore	2 M	2 M					2 M	2 M			2 M	2 M		
Burns, Ore	3 M	3 M					2 M	2 M			2 M	2 M		
Centralia, Wn	3 M	3 M					3 M	2 M			2 M	2 M		
Chemult, Ore	2 M	2 M	2 M	1 A	2 M	1 A	2 M	2 M	2 M	2 M	1 M	1 M	3 M	2 M
Chico, Calif							4 M	3 M			4 M	3 M		
Cle Elum, Wn	4 M	3 M					2 M	1 M			2 M	1 A		
Coquille, Ore	2 M	2 M					4 M	3 M			4 M	3 M		
Coulee Dam Site, Wn	4 M	3 M	3 M	3 M	2 M	2 M			2 M	2 M			3 M	3 M
Crescent City, Calif							4 M	3 M			4 M	3 M		
Davenport, Wn	4 M	3 M	2 M	1 A	3 M	2 M			3 M	2 M			3 M	2 M
Dorris, Calif							3 M	2 M			3 M	2 M		
Ellensburg, Wn	3 M	2 M					2 M	1 M			2 M	1 M		
Eugene, Ore	2 M	1 M	4 M	3 M	2 M	2 M			3 M	3 M			4 M	3 M
Eureka, Calif	1 M	1 M					2 M	1 M			2 M	1 M		
Grants Pass, Ore	4 M	3 M					4 M	3 M			4 M	3 M		
Huntington, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
Kelso, Wn	3 M	2 M					3 M	2 M			3 M	2 M		
Kennewick, Wn	1 M	1 M					1 M	1 M			1 M	1 M		
Klamath Falls, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
La Grande, Ore	1 M	1 M					1 M	1 M			1 M	1 M		
Lakeview, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
Longview, Wn	2 M	2 M					2 M	2 M			2 M	2 M		
Marshfield, Ore			2 M	2 M	2 M	1 M			2 M	2 M			3 M	2 M
Marysville, Calif	1 M	1 M					1 M	1 M			1 M	1 M		
Medford, Ore	4 M	3 M					4 M	3 M			4 M	3 M		
Missoula, Mont	2 M	2 M					2 M	2 M			2 M	1 M		
North Bend, Ore	1 M	1 M	2 M	1 A	2 M	1 A	1 M	1 M	2 M	2 M			3 M	2 M
Oakland, Calif	3 M	2 M					3 M	2 M			3 M	2 M		
Olympia, Wn	3 M	2 M					3 M	2 M			3 M	2 M		
Pendleton, Ore	2 M	2 M					2 M	2 M			2 M	2 M		
Portland, Ore	2 M	2 M					2 M	2 M			2 M	2 M		
Prineville, Ore			2 M	1 A	2 M	1 A			2 M	2 M			3 M	2 M
Red Bluff, Calif			2 M	1 A	2 M	1 A			2 M	2 M			3 M	2 M
Redding, Calif							2 M	2 M			2 M	2 M		
Redmond, Ore	2 M	2 M					2 M	1 M			2 M	1 M		
Roseburg, Ore	2 M	1 M											3 M	2 M
Sacramento, Calif			2 M	1 A	2 M	1 A			2 M	2 M				

Salem, Ore	2 M	1 M	2 M	1 A	2 M	1 A	2 M	1 M	2 M	1 A	2 M	1 M	3 M	2 M		
San Francisco, Calif	1 M	1 M														
Seattle, Wn	3 M	2 M					3 M	2 M			3 M	2 M				
Spokane, Wn	3 M	2 M					3 M	2 M			3 M	2 M				
Tacoma, Wn	3 M	2 M					3 M	2 M			3 M	2 M				
The Dalles, Ore	3 M	2 M					3 M	2 M			3 M	2 M				
Vancouver, Wn	2 M	2 M					2 M	2 M			3 M	2 M				
Weed, Calif			2 M	1 A	2 M	1 A			2 M	1 A			3 M	2 M		
Wenatchee, Wn	4 M	3 M					4 M	3 M			4 M	3 M				
Yakima, Wn	3 M	2 M					3 M	2 M			3 M	2 M				

See footnotes at end of table.

2007 To..... From—	Spokane, Wn.		Tacoma, Wn.		The Dalles, Ore.		Vancouver, Wn.		Weed, Calif.		Wenatchee, Wn.		Yakima, Wn.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore									3 M	2 M				
Baker, Ore									3 M	2 M				
Bend, Ore									3 M	2 M				
Burns, Ore									3 M	3 M				
Centralia, Wn									3 M	2 M				
Chemult, Ore	3 M	2M	3 M	2 M	3 M	2 M	2 M	2 M	2 M	1 M	3 M	2 M	3 M	2 M
Chico, Calif									4 M	3 M				
Cle Elum, Wn									2 M	2 M				
Coquille, Ore									4 M	3 M				
Coulee Dam Site, Wn	4 M	3 M	3 M	3 M	3 M	3 M	2 M	2 M			3 M	3 M	3 M	3 M
Crescent City, Cal									4 M	3 M				
Davenport, Wn	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Dorris, Calif									3 M	2 M				
Ellensburg, Wn									2 M	1 M				
Eugene, Ore	4 M	3 M	4 M	3 M	4 M	3 M	3 M	3 M			4 M	3 M	4 M	3 M
Eureka, Calif									1 M	1 M				
Grants Pass, Ore									3 M	2 M				
Huntington, Ore									3 M	2 M				
Kelso, Wn									3 M	2 M				
Kennewick, Wn									1 M	1 M				
Klamath Falls, Ore									3 M	2 M				
La Grande, Ore									1 M	1 M				
Lakeview, Ore									3 M	2 M				
Longview, Wn									2 M	2 M				
Marshfield, Ore	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Marysville, Calif									1 M	1 M				
Medford, Ore									4 M	3 M				
Missoula, Mont									3 M	2 M				
North Bend, Ore	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M	1 M	1 M	3 M	2 M	3 M	2 M
Oakland, Calif									3 M	2 M				
Olympia, Wn									3 M	2 M				
Pendleton, Ore									2 M	1 M				
Portland, Ore									2 M	2 M				
Prineville, Ore	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Red Bluff, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Redding, Calif									2 M	2 M				
Redmond, Ore									2 M	1 M				
Roseburg, Ore	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Sacramento, Calif									2 M	1 M				
Salem, Ore														

San Francisco, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M	1 M	1 M	3 M	2 M	3 M	2 M
Seattle, Wn									3 M	1 A				
Spokane, Wn									3 M	2 M				
Tacoma, Wn									3 M	2 M				
The Dalles, Ore									3 M	2 M				
Vancouver, Wn									2 M	2 M				
Weed, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Wenatchee, Wn									4 M	3 M				
Yakima, Wn									3 M	2 M				

See footnotes at end of table.

2008 *Schedule B—Covering Supplementary Service to Points Not Shown in Schedule A*

See page 33 for notes and explanation of abbreviations.

Crane, Oregon—Service from and to Burns, Oregon, weekly on Friday mornings.

Coos Bay Pulp & Paper Co., Oregon, Empire, Oregon—Service from and to Marshfield, Oregon, each morning daily except Sundays and Holidays.

Oromite Mine, Oregon—Service from and to Terrebonne, Oregon, weekly on Friday mornings.

Sisters, Oregon, Suttle Lake, Oregon—Service from and to Redmond, Oregon, weekly on Monday mornings.

Springfield, Oregon—Service from and to Eugene, Oregon, each morning daily except Sundays and Holidays.

Umpqua, Oregon—Service from and to Roseburg, Oregon, weekly on Friday mornings.

Warm Springs, Oregon—Service from and to Madras, Oregon, Tri-weekly on Tuesday, Thursday, and Saturday mornings.

2009 Notes Governing Application of Time Schedules Shown in Section Two

NOTE 1.—For schedules at intermediate points not shown in this section, arrival or departure times at the next more distant point on the same route will apply. See Section One for geographical location of intermediate points.

NOTE 2.—Unless otherwise provided all schedules shown in this section are daily, except Sundays or holidays.

NOTE 3.—Unless otherwise provided, all departure times are in the afternoon.

NOTE 4.—In the computation of dates, Sundays and holidays are to be excluded.

Explanation of Characters Used in Section Two

1 Indicates departure from point indicated before noon.
1 A—Arrival on the first afternoon after time of departure.
2 A—Arrival on the second afternoon after time of departure.
3 A—Arrival on the third afternoon after time of departure.
1 M—Arrival on first morning after time of departure.
2 M—Arrival on second morning after time of departure.
3 M—Arrival on third morning after time of departure.

2010

Exhibit No. 2-A

Docket MC 42487, Sub. 15, 18, 19, 20

CONSOLIDATED FREIGHTWAYS INC.

Corrected Time and Service Schedule Governing the Proposed Extension of Service Between San Francisco and Sacramento, California on the One Hand and Klamath Falls, Medford, Marshfield, and Lakeview, Oregon, on the Other Hand, in the Following Classes of Service as Defined by the Interstate Commerce Commission, A-1-6-17, B-1-6-17

2011

TABLE OF CONTENTS

	Page
Classes of Service, Definition of	3
Explanation of Abbreviations	3
Index of Stations	3
Service Schedules:	6, 7, 8, 9
Section One—Schedules Governing Classes A and B Service:	
General Application of Schedules: Intermediate Service	5
Route No. 1—Showing Routes and Terminals Served Between San Francisco and Sacramento, California, and Portland, Oregon, Along the California and Oregon Coast Highways	10, 11
Route No. 2—Showing Routes and Terminals Served Between San Francisco and Sacramento, California, and Seattle, Washington	12, 13, 14
Route No. 3—Showing Routes and Terminals Served Between San Francisco and Sacramento, California, on the One Hand—and Points in Central Washington; Yakima Valley, Washington; Points Along the Columbia River from Arlington, Oregon, to Portland, Oregon (including Portland)	15, 16, 17, 18
Route No. 4—Showing Routes and Terminals Served Between San Francisco and Sacramento, California, on the One Hand—and Missoula, Montana; Spokane, Washington; Huntington and John Day, Oregon, on the Other Hand—via Highways US97 and US99 (The Dalles-California Highway)	19, 20, 21, 22
Route No. 5—Showing Routes and Terminals Served Between San Francisco and Sacramento, California, and Lakeview, Oregon	23
Time Schedules:	
Section Two—Schedules Governing Class A Service:	
Explanation of Characters	33
Notes Governing Application of Schedules	33
Schedule A	25 to 31 incl.
Schedule B	32

2012

Explanation of Abbreviations

&—And.
Calif.—California.
D—Daily except Sundays and holidays.
E—East.

Fri.—Fridays.
Ida.—Idaho.
Mon.—Mondays.
Mont.—Montana.
M-W-F—Mondays, Wednesdays, Fridays.
N—North.
Ore.—Oregon.
S—South.
St.—State Highway.
T-T-S—Tuesdays, Thursdays, Saturdays.
US—United States Highway.
W—West.
Wn.—Washington.

Classes of Service, Definition of

The types of service set forth in this schedule are included in the following groups and subgroups, under the official classification of the Interstate Commerce Commission covering common carriers of property by motor vehicle:

Groups:
Class A—Regular Route, Scheduled Service.
Class B—Regular Route, Non-Scheduled Service.

Subgroups:
Class 1—Carrier of General Freight.
Class 6—Carrier of Refrigerated Solid Products.
Class 17—Carrier of Livestock.

2013 SECTION ONE—SERVICE SCHEDULES GOVERNING CLASSES A AND B SERVICE, GEOGRAPHICALLY ARRANGED

2014 GENERAL APPLICATION OF SCHEDULES

Intermediate Service

Except as otherwise provided, intermediate service is rendered to all points not specifically listed but located on highways designated as routes and to points located on passable roads and not farther than one mile from a designated route.

2015

Index of Stations

Station	Section One	Section Two Index No.
Adrian, Wn		7320
Albany, Ore		1580, 2470, 3800
Alberton, Mont		7440
Alfalfa, Wn		4500
Algoma, Ore		2300, 6300
Alturas, Calif		8240
Anderson, Calif		2100, 3100, 6100, 8100
Anlauf, Ore		1310, 3630
Arbuckle, Calif		2050, 3050, 6080, 8050
Arcata, Calif		1120
Arlington, Ore	Schedule A	6640, 6680, 6780, 7010
Ashland, Ore		3280
Auburn, Wn		2820
Azalea, Ore		3370
Baker, Ore	Schedule A	6940
Bandon, Ore		1180
Beatty, Ore		2294
Bend, Ore	Schedule A	6390
Bieber, Calif		8230
Biggs, Ore		6000
Blalock, Ore		6630
Blewett, Wn		4460
Bly, Ore		2295
Boardman, Ore		7020
Bonneville, Ore		3970
Bridal Veil, Ore		3960
Bridge, Ore		3470
Brockway, Ore		3430
Brookings, Ore		1150
Brothers, Ore		6460
Buena, Wn		4200, 4550
Burke, Wn		4300
Burney, Calif		8220
Burns, Ore	Schedule A	6485
Bush, Wn		2720
Cabin City, Mont		7390
Camas, Wn		4080
Camas Valley, Ore		3480
Canyonville, Ore		3380
Cascade Locks, Ore		3980
Cashmere, Wn		4440
Castle Rock, Wn		2960
Central Point, Ore		3320
Centralia, Wn	Schedule A	2690
Chehalis, Wn		2680
Chemult, Ore	Schedule A	2350, 6350
Chenoy, Wn		7190
Chico, Calif	Schedule A	2180, 3180, 6180, 8180
Chiloquin, Ore		2320, 6320
Cle Elum, Wn	Schedule A	4270, 4480
Coeur D'Alene, Ida		7340
Cold Springs, Ore		6782
Comstock, Ore		1320, 3640
Condon, Ore		6690
Connell, Wn		7090
Coos Bay Pulp & Paper Mill	Schedule B	1230
Coquille, Ore	Schedule A	1190, 3490
Corning, Calif		2080, 3080, 6080, 8080
Corvallis, Ore		1460, 2540, 3870
Cottage Grove, Ore		1340, 3660
Conlee City, Wn		4350
Conlee Dam Site, Wn	Schedule A	4360
Crane, Ore	Schedule B	6487
Crescent, Ore		6360
Crescent City, Calif	Schedule A	1140
Creswell, Ore		1370, 3690
Cyr, Mont		7430
Dairy, Ore		2293
Davenport, Wn	Schedule A	7230
Davis Jct., Calif		2030, 3030, 6030, 8030
Dayville, Ore		6750
Deborgia, Mont		7380
Desmet, Mont		7470
Dillard, Ore		3410
Dillon, Ore		4040
Divide, Ore		1330, 3650
Dixie, Ore		6080
Dorris, Calif	Schedule A	2260, 6260
Downs, Wn		7260
Drain, Ore		1290, 3610
Dryden, Wn		4450
Dundee, Ore		1490, 2570, 3900
Dunsmuir, Calif		2220, 3220, 6220
Durkee, Ore		6960
Echo, Ore		6810
Elkton, Ore		1280
Ellensburg, Wn	Schedule A	4240, 4250, 4280
Eltopia, Wn		7080
Emigrant Park, Ore		6840
Empire, Ore		1220
Ephrata, Wn		4320
Eugene, Ore	Schedule A	1390, 1410, 2380, 2400, 3710, 3730
Eureka, Calif	Schedule A	1100
Fairfield, Calif		2020, 3020, 6020, 8020
Five Points, Ore		6870
Forest Grove, Mont		7420
Fort Klamath, Ore		2340, 6340
Fortuna, Calif		1090
Fossil, Ore		6710
Frenchtown, Mont		7460

2016

Station	Section One	Section Two Index No.
Gap Ranch, Ore		6680
Geyserville, Calif		1050
Gilchrist, Ore		6370
Glendale, Ore		3365
Gold Beach, Ore		1160
Goldendale, Wn		4140
Gold Hill, Ore		3330
Goshen, Ore		1380, 2370, 3700
Grandview, Wn		4590
Granger, Wn		4570
Grants Pass, Ore	Schedule A	3350
Grass Valley, Ore		6570
Gridley, Calif		2170, 3170, 6170, 8170
Gwendolen, Ore		6680
Haines, Ore		6930
Halsey, Ore		1550, 2440 3770
Hampton, Ore		6470
Harrington, Wn		7240
Harrisburg, Ore		1540, 2430 3760
Haugan, Mont		7375
Hauser, Ore		1230
Heppner Jct., Ore		7015
Hermiston, Ore		6790
Hilt, Calif		3270
Holdman, Ore		6783
Hood River, Ore		3990
Hopland, Calif		1060
Hornbrook, Calif		3260
Hot Lake, Ore		6900
Huntington, Ore	Schedule A	7000

Index of Stations—Continued

Station	Section One	Section Two Index No.
Huson, Mont		7450
Irrigon, Ore		7030
Jefferson, Ore		1590, 2480, 3810
John Day, Ore		6770
Junction City, Ore		1420, 1440, 1530, 2410, 2420, 2520, 3740, 3750, 3850
Kamela, Ore		6860
Kelso, Wn	Schedule A	2630
Kennewick, Wn	Schedule A	7060, 4620
Kent, Wn		2830
Kimberley, Ore		6740
Kiona, Wn		4610
Klamath, Calif		1130
Klamath Agency, Ore		2330, 6330
Klamath Falls, Ore	Schedule A	2290, 2291, 2298, 6290
Lacey, Wn		2750
La Grande, Ore	Schedule A	6890
Lakeview, Ore	Schedule A	2297, 8260
Lamonia, Wn		7270
Langlois, Ore		1170
La Pine, Ore		6380
Leona, Ore		1500, 3620
Lime, Ore		6990
Lincoln, Calif		2140, 3140, 6140, 8140
Lind, Wn		7100
Longview, Wn	Schedule A	2640
Lyle, Wn		4120
McMinnville, Ore		1480, 2560, 3890
Mabton, Wn		4520
Macdoel, Calif		2250, 6250
Madras, Ore		6530, 6556
Mae, Wn		7150
Marlin, Wn		7290
Marshfield, Ore	Schedule A	1200, 1210, 3500
Marysville, Calif	Schedule A	2150, 3150, 6150, 8150
Mayville, Ore		6700
Meacham, Ore		6850
Medford, Ore	Schedule A	3310
Midland, Ore		2280, 6280
Miller, Ore		4050
Millican, Ore		6450
Mission, Ore		6830
Missoula, Mont	Schedule A	7480
Modoc Point, Ore		2310, 6310
Mohler, Wn		7250
Monmouth, Ore		1470, 2550, 3880
Monroe, Ore		1450, 2530, 3860
Moro, Ore		6580
Mosier, Ore		4000
Mount Shasta, Calif		2230, 3230, 6230
Mount Vernon, Ore		6760
Myrtle Creek, Ore		3400
Myrtle Point, Ore		3480
Nelson, Ore		6970
Neppel, Wn		7140
Newberg, Ore		1500, 2580, 3910
New Pine Creek, Ore		8250
North Bend, Ore	Schedule A	1240, 3510
North Powder, Ore		6920
Norway, Ore		3485
Oakland, Calif		2010, 3010, 6010, 8010
Oakland, Ore	Schedule A	3590
Oakridge, Ore		2360
Odessa, Wn		7280
Offut Lake, Wn		2710
Olene, Ore		2242
Olex, Ore		6670
2017 Olympia, Wn	Schedule A	2740
Oregon City, Ore		1610, 2300, 3830
Orland, Calif		2070, 3070, 6070, 8070
Oromite Mine, Ore	Schedule B	6510
Ostrander, Wn		2650
Outlook, Wn		
Parker, Wn		
Pasco, Wn		4630, 7070
Pendleton, Ore	Schedule A	6820
Perry, Ore		6880
Petaluma, Calif		1030
Phoenix, Ore		3300
Pleasant Valley, Ore		6950
Pomona, Wn		4230
Portland, Ore	Schedule A	1520, 1620, 2510, 2600, 2610, 3840, 3930, 3940, 4060
Powell Butte, Ore		6410
Prineville, Ore	Schedule A	6420
Prosser, Wn		4530, 4600
Puyallup, Wn		2800
Quartz Mountain, Ore		2206
Quincy, Wn		4310, 4320, 4370
Quinton, Ore		6620
Reardon, Wn		7220
Red Bluff, Calif	Schedule A	2090, 2190, 3090, 3190, 6090, 6190, 8090, 8190
Redding, Calif	Schedule A	2110, 2200, 2210, 3110, 3200, 3210, 6110, 6200, 6210, 8110, 8200, 8210
Redmond, Ore	Schedule A	6400, 6460
Reedsport, Ore		1270
Remote, Ore		3460
Richland, Wn		
Riddle, Ore		3390
Ritzville, Wn		7110, 7120, 7160
Rock Island, Wn		4390
Roque River, Ore		3340
Roseburg, Ore	Schedule A	3420, 3530, 3550
Roseville, Calif		2130, 3130, 6130, 8130
Rowena, Ore		4010
Rufus, Ore		6610
St. Regis, Mont		7400
Sacramento, Calif	Schedule A	2120, 3120, 6120, 8120, 1350, 3670
Saginaw, Ore		1600, 2490, 3820
Salem, Ore	Schedule A	7370
Saltese, Mont		1000, 2000, 3000, 6000, 8000
San Francisco, Calif	Schedule A	1020
San Rafael, Calif		1040
Santa Rosa, Calif		4510
Satus, Wn		

Index of Stations—Continued

Station	Section One	Section Two Index No.
Sausalito, Calif		1010
Seattle, Wn	Schedule A	2780, 2840
Service Creek, Ore		6720
Seufert, Ore		4030
Shaniko, Ore		6560
Shedd, Ore		1560, 2450, 3780
Shutler, Ore		6660
Sisters, Ore	Schedule B	6430
Smithville, Wn		4130
Soap Lake, Wn		4340
Spokane, Wn	Schedule A	7200, 7210, 7330
Sprague, Wn		7170
Spray, Ore		6730
Springfield, Ore	Schedule B	1400, 2390, 3720
Stanfield, Ore		6800
Stevenson, Wn		4100
Stratford, Wn		7310
Sumner, Wn		2810
Sunnyside, Wn		4580
Superior, Mont		7410
Sutherlin, Ore		3540, 3580
Suttle Lake, Ore	Schedule B	6440
Tacoma, Wn	Schedule A	2760, 2770, 2790
Taft, Mont		7360
Talent, Ore		3290
Tangent, Ore		1570, 2460, 3790
Teanaway, Wn		4260, 4470
Tenino, Wn		2700
Ten Mile, Ore		3440
Terrebonne, Ore		6500, 6520
The Dalles, Ore	Schedule A	4020
Tigard, Ore		1510, 2590, 3920
Toledo, Wn		2670
Toppenish, Wn		4150, 4160, 4190, 4490, 4540
Trinidad, Wn		4380
Troutdale, Ore		3950
Tumwater, Ore		2730
Tyler, Wn		7180
Ukiah, Calif		1070
Umatilla, Ore		7040
2018		
Umpqua, Ore	Schedule B	3530
Union Gap, Wn		4180, 4210
Union, Ore		6910
Vancouver, Wn	Schedule A	2620, 4070
Vantage Bridge, Wn		4290
Walker, Ore		1360, 3680
Wallace, Ida		7350
Wallula, Wn		7050
Wapato, Wn		4170
Warm Springs, Ore	Schedule B	6540
Wasco, Ore		6590
Washougal, Wn		4090
Waterville, Wn		4420
Weed, Calif	Schedule A	2240, 3240, 6240
Wenatchee, Wn	Schedule A	4400, 4410, 4430
Wheeler, Wn		7130
White Salmon, Wn		4110
Wilbur, Ore		3570
Willits, Calif		1080
Willows, Calif		2060, 3060, 6060, 8060
Wilson Creek, Wn		7300
Winchester, Ore		3560
Winchester Bay, Ore.		1260
Wolf Creek, Ore		3360
Woodland, Calif		2040, 3040, 6040, 8040
Worden, Ore		2270, 6270
Yakima, Wn	Schedule A	4220
Yreka, Calif		3250
Yoncalla, Ore		3600
Yuba City, Calif		2160, 3160 6160, 8160
Zillah, Wn		4560

2019

SECTION ONE—SERVICE SCHEDULES

Route No. 1.—Showing routes and terminals served between San Francisco and Sacramento, California, and Portland, Oregon, along the California and Oregon Coast Highways, in Classes A and B–1–6–17 service

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
1000	San Francisco, Calif.[1]	0	D	US 101		
1010	Sausalito, Calif	9	D	do		
1020	San Rafael, Calif	23	D	do		
1030	Petaluma, Calif	41	D	do		
1040	Santa Rosa, Calif	58	D	do		
1050	Geyserville, Calif	81	D	do		
1060	Hopland, Calif	104	D	do		
1070	Ukiah, Calif	121	D	do		
1080	Willits, Calif	145	D	do		
1090	Fortuna, Calif	270	D	do		
1100	Eureka, Calif[1]	290	D	do		
1120	Arcata, Calif	299	D	do		
1130	Klamath, Calif	354	D	do		
1140	Crescent City, Calif.[1]	376	D	do		

See footnotes at end of table.

Route No. 1.—Showing routes and terminals served between San Francisco and Sacramento, California, and Portland, Oregon, along the California and Oregon Coast Highways, in Classes A and B–1–6–17 service—Con.

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
1150	Brookings, Ore	405	D	do		
1160	Gold Beach, Ore	442	D	do		
1170	Longlois, Ore	487	D	do		
1180	Bandon, Ore	501	D	do		
1190	Coquille, Ore	519	D	do		1-4
1200	Marshfield, Ore.[1]	537	D	do		1-4
1210	Marshfield, Ore.[1]	0	D	County Road		1-4
1220	Empire, Ore.[1]	5	D	do		1-4
1230	Coos Bay Pulp and Paper Mills.[1]	6	D	do		1-4
1240	North Bend, Ore.[1]	540	D	US 101		1-4
1250	Hauser, Ore	548	D	do		
1260	Winchester Bay, Ore	563	D	do		
1270	Reedsport, Ore	568	D	US 101-St 38		1-3
1280	Elkton, Ore	613	D	do		1-3
1290	Drain, Ore	627	D	US 101-St 38-US 99		1-3
1300	Leona, Ore	630	D	do		
1310	Anlauf, Ore	634	D	do		
1320	Comstock, Ore	636	D	do		
1330	Divide, Ore	640	D	do		
1340	Cottage Grove, Ore	645	D	do		
1350	Saginaw, Ore	648	D	do		
1360	Walker, Ore	649	D	do		
1370	Creswell, Ore	654	D	do		
1380	Goshen, Ore	660	D	do		
1390	Eugene, Ore.[1]	666	D	do		
1400	Springfield, Ore.[1]	4	D	US 101-St 38-US 99-32		
1410	Eugene, Ore.[1]	666	D	US 101-St 38-US 99		1-2
1420	Junction City, Ore	680	D	do		
1440	Junction City, Ore	680	On call	do	US 101—St 38	1-1, 1-2
2020						
1450	Monroe, Ore	688	On call		US 99-99W	1-1, 1-2
1460	Corvallis, Ore	705	On call		do	1-1, 1-2
1470	Monmouth, Ore	725	On call		do	1-1, 1-2
1480	McMinnville, Ore	758	On call		do	1-1, 1-2
1490	Dundee, Ore	764	On call		do	1-1, 1-2
1500	Newberg, Ore	767	On call		do	1-1, 1-2
1510	Tigard, Ore	782	On call		do	1-1, 1-2
1520	Portland, Ore.[1]	790	On call		do	1-1, 1-2
1530	Junction City, Ore	680	D	US 101-St 38-US 99-99E		1-2
1540	Harrisburg, Ore	684	D	do		1-2
1550	Halsey, Ore	693	D	do		1-2
1560	Shedd, Ore	698	D	do		1-2
1570	Tangent, Ore	704	D	do		1-2
1580	Albany, Ore	711	D	do		1-2
1590	Jefferson, Ore	720	D	do		1-2
1600	Salem, Ore.[1]	737	D	do		1-2
1610	Oregon City, Ore	775	D	do		1-2
1620	Portland, Ore.[1]	788	D	do		

North-bound—Read down. South-bound—Read up

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in section two for time schedule reference.

NOTE 1-1.—On call service rendered on shipments of 5,000 pounds or more when request for service is made at terminal nearest shipping point, not less than 12 hours in advance of next regular schedule.

NOTE 1-2.—No local service rendered on shipments moving between Portland, Oregon, and points north of Eugene, Oregon, or between points intermediate thereto. Service is given on south-bound traffic from these points destined to Eugene, Oregon, or points south thereof, or on north-bound traffic originating at Eugene, Oregon, or points south thereof.

NOTE 1-3.—No local service rendered on shipments moving to, from, or between points west of Drain, Oregon, to and including Reedsport, Oregon, on State Highway No. 38. Service is given to and from Drain, Oregon, and points south of Reedsport, Oregon.

NOTE 1-4.—No local service rendered on shipments moving between Myrtle Point, Oregon, and North Bend, Oregon, or points intermediate thereto.

2021 ***Route No. 2.—Showing routes and terminals served between San Francisco and Sacramento, California, and Seattle, Washington, in Classes A and B–1–6–17 service***

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
2000	San Francisco, Calif.[1]	0	D	St 40		
2010	Oakland, Calif.[1]	9	D	do		
2020	Fairfield, Calif	43	D	do		
2030	Davis Jct., Calif	83	D	St 40–US 99W		
2040	Woodland, Calif	92	D	do		
2050	Arbuckle, Calif	120	D	do		
2060	Willows, Calif	159	D	do		
2070	Orland, Calif	175	D	do		
2080	Corning, Calif	188	D	do		
2090	Red Bluff, Calif.[1]	206	D	St 40–US 99W–99		
2100	Anderson, Calif	229	D	do		
2110	Redding, Calif.[1]	237	D	do		
2120	Sacramento, Calif.[1]	0	D	US 99		
2130	Roseville, Calif	21	D	US 99–99E		
2140	Lincoln, Calif	31	D	do		
2150	Marysville, Calif.[1]	55	D	do		
2160	Yuba City, Calif	57	D	do		
2170	Gridley, Calif	72	D	do		
2180	Chico, Calif.[1]	104	D	do		
2190	Red Bluff, Calif.[1]	144	D	US 99–99E–99		
2200	Redding, Calif.[1]	175	D	do		
2210	Redding, Calif.[1]	237	D	St 40–US 99E–99W–99		
2220	Dunsmuir, Calif	295	D	do		
2230	Mt. Shasta, Calif	304	D	do		
2240	Weed, Calif.[1]	313	D	St 40–US 99E–99W–99–97		
2250	Macdoel, Calif	354	D	do		
2260	Dorris, Calif.[1]	365	D	do		
2270	Worden, Ore	372	D	do		
2280	Midland, Ore	378	D	do		
2290	Klamath Falls, Ore.[1]	386	D	do		
2291	Klamath Falls, Ore.[1]	386	D	do		
2292	Olene, Ore	395	D	St 66		
2293	Dairy, Ore	404	D	do		
2294	Beatty, Ore	425	D	do		
2295	Bly, Ore	438	D	do		
2296	Quartz Mountain, Ore	451	D	do		
2297	Lakeview, Ore.[1]	483	D	do		
2298	Klamath Falls, Ore.[1]	386	D	do		
2300	Algoma, Ore	397	D	St 40–US 99E–99W–99–97		
2310	Modoc Point, Ore	405	D	do		
2320	Chiloquin, Ore	6	D	do		
2330	Klamath Agency, Ore	417	D	County Road		
2340	Fort Klamath, Ore	425	D	St 40–US 99E–99W–99–97		
2350	Chemult, Ore.[1]	462	D	do		
2360	Oakridge, Ore	521	D	do		
2022				St 40–US 99E–99W–99–97–St 58.		
2370	Goshen, Ore	557	D	St 40–US 99E–99W–99–US 97–St 58–US 99.		
2380	Eugene, Ore.[1]	564	D	do		
2390	Springfield, Ore.[1]	4	D	US 28		
2400	Eugene, Ore.[1]	564	D	St 40–US 99E–99W–99—US 97–St 58–US 99.		
2410	Junction City, Ore	578	D	do		
2420	Junction City, Ore	578	D	St 40–US 99E–99W–99—US 97–St 58–US 99E.		2-2
2430	Harrisburg, Ore	582	D	do		2-2
2440	Halsey, Ore	591	D	do		2-2
2450	Shedd, Ore	596	D	do		2-2
2460	Tangent, Ore	602	D	do		2-2
2470	Albany, Ore	609	D	do		2-2
2480	Jefferson, Ore	619	D	do		2-2
2490	Salem, Ore.[1]	637	D	do		2-2
2500	Oregon City, Ore	675	D	do		2-2
2510	Portland, Ore.[1]	688	D	do		2-2

See footnotes at end of table.

Route No. 2.—Showing routes and terminals served between San Francisco and Sacramento, California, and Seattle, Washington, in Class A and B–1–6–17 service—Continued

Index No.	Stations	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
2520	Junction City, Ore	578	On call		St 40–US 99E–99W–US 99–97–St 58–US 99.	2-1, 2-2
2530	Monroe, Ore	586	On call		do	2-1, 2-2
2540	Corvallis, Ore	603	On call		do	2-1, 2-2
2550	Monmouth, Ore	623	On call		do	2-1, 2-2
2560	McMinnville, Ore	650	On call		do	2-1, 2-2
2570	Dundee, Ore	662	On call		do	2-1, 2-2
2580	Newberg, Ore	665	On call		do	2-1, 2-1
2590	Tigard, Ore	679	On call		do	2-1, 2-2
2600	Portland, Ore.[1]	688	On call			
2610	Portland, Ore.[1]	688	D	St 40–US 99E–99W–99–US 97–St 58–US 99E–99W–99.		
2620	Vancouver, Wn.[1]	696	D	do		
2630	Kelso, Wn.[1]	740	D	do		
2640	Longview, Wn.[1]	741	D	do		
2650	Ostrander, Wn	745	D	do		
2660	Castle Rock, Wn	752	D	do		
2023						
2670	Toledo, Wn	766	D	St 40–US 99E–99W–99–US 97–St 58–US 99E–99W–99.		
2680	Chehalis, Wn	781	D	do		
2690	Centralia, Wn[1]	785	D	do		
2700	Tenino, Wn	801	D	do		
2710	Offut Lake, Wn	805	D	do		
2720	Bush, Wn	809	D	do		
2730	Tumwater, Wn	813	D	do		
2740	Olympia, Wn.[1]	816	D	do		
2750	Lacey, Wn	819	D	do		
2760	Tacoma, Wn.[1]	848	D	do		
2770	Tacoma, Wn.[1]	848	D	do		
2780	Seattle, Wn.[1]	878	D	do		
2790	Tacoma, Wn	848	D	St 40–US 99E–99W–99–97.		
2800	Puyallup, Wn	853	D	St 58–US 99E–99W–99–St 5.		
2810	Sumner, Wn	855	D	do		
2820	Auburn, Wn	863	D	do		
2830	Kent, Wn	871	D	do		
2840	Seattle, Wn.[1]	887	D	do		

North-bound—Read down. South-bound—Read up.

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in Section Two for Time Schedule reference.

NOTE 2-1.—On Call service rendered on shipments of 5,000 pounds or more when request for service is made at terminal nearest shipping point, not less than 12 hours in advance of next regular schedule.

NOTE 2-2.—No local service rendered on shipments moving between Portland, Oregon and points north of Eugene, Oregon or between points intermediate thereto. Service is given on south-bound traffic from these points destined to Eugene, Oregon or points south thereof, or on north-bound traffic originating at Eugene, Oregon or points south thereof.

2024 *Route No. 3.—Showing routes and terminals served between San Francisco and Sacramento, California, on the one hand, and points in Central Washington; Yakima Valley, Washington; points along the Columbia River from Arlington, Oregon, to Portland, Oregon (including Portland) in Classes A and B–1–6–17 service*

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
3000	San Francisco, Calif.[1]	0	D	St 40		
3010	Oakland, Calif.[1]	9	D	do		
3020	Fairfield, Calif	43	D	do		
3030	Davis Jct., Calif	83	D	St 40–US 99W		
3040	Woodland, Calif	92	D	do		
3050	Arbuckle, Calif	120	D	do		
3060	Willows, Calif	159	D	do		
3070	Orland, Calif	175	D	do		
3080	Corning, Calif	188	D	do		
3090	Red Bluff, Calif.[1]	206	D	do		
3100	Anderson, Calif	229	D	St 40–US 99W–99		
3110	Redding, Calif.[1]	237	D	do		
3120	Sacramento, Calif.[1]	0	D	do		
3130	Roseville, Calif	21	D	US 99		
3140	Lincoln, Calif	31	D	US 99–99E		
3150	Marysville, Calif.[1]	55	D	do		
3160	Yuba City, Calif	57	D	do		
3170	Gridley, Calif	72	D	do		
3180	Chico, Calif.[1]	104	D	do		
3190	Red Bluff, Calif.[1]	144	D	do		
3200	Redding, Calif.[1]	175	D	US 99–99E–99		
3210	Redding, Calif.[1]	237	D	do		
3220	Dunsmuir, Calif	295	D	St 40–US 99E–99W–99		
3230	Mt. Shasta, Calif	304	D	do		
3240	Weed, Calif.[1]	313	D	do		
3250	Yreka, Calif	339	D	do		
3260	Hornbrook, Calif	354	D	do		
3270	Hilt, Calif	362	D	do		
3280	Ashland, Ore	381	D	do		
3290	Talent, Ore	386	D	do		
3300	Phoenix, Ore	388	D	do		
3310	Medford, Ore.[1]	393	D	do		
3320	Central Point, Ore	397	D	do		
3330	Gold Hill, Ore	406	D	do		
3340	Rogue River, Ore	415	D	do		
3350	Grants Pass, Ore.[1]	425	D	do		
3360	Wolf Creek, Ore	449	D	do		
3365	Glendale, Ore	3	D	County Road		
3025						
3370	Azalea, Ore	462	D	St 40–US 99E–99W–99		
3380	Canyonville, Ore	472	D	do		
3390	Riddle, Ore	4	D	County Road		
3400	Myrtle Creek, Ore	483	D	St 40–US 99 E–99W–99		
3410	Dillard, Ore	494	D	do		
3420	Roseburg, Ore.[1]	504	D	do		
3430	Brockway, Ore	8	D	St 42		
3440	Tenmile, Ore	17	D	do		
3450	Camas Valley, Ore	25	D	do		
3460	Remote, Ore	42	D	do		
3470	Bridge, Ore	49	D	do		
3480	Myrtle Point, Ore	60	D	do		
3485	Norway, Ore	63	D	do		
3490	Coquille, Ore.[1]	69	D	do		
3500	Marshfield, Ore.[1]	87	D	do		
3510	North Bend, Ore.[1]	90	D	do		
3520	Roseburg, Ore.[1]	0	D	do		
3530	Umpqua, Ore	14	Fridays	US 99		
3540	Sutherlin, Ore	23	Fridays	County Road		
3550	Roseburg, Ore.[1]	504	D	do		
3560	Winchester, Ore	509	D	St 40–US 99E–99W–99		
3570	Wilbur, Ore	512	D	do		
3580	Sutherlin, Ore	517	D	do		
3590	Oakland, Ore	520	D	do		
3600	Yoncalla, Ore	534	D	do		
3610	Drain, Ore	539	D	do		
3620	Leona, Ore	542	D	do		
3630	Anlauf, Ore	546	D	do		

See footnotes at end of table.

Route No. 3.—Showing routes and terminals served between San Francisco, California, etc.—Continued

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
3640	Comstock, Ore	548	D	do		
3650	Divide, Ore	552	D	do		
3660	Cottage Grove, Ore	557	D	do		
3670	Saginaw, Ore	560	D	do		
3680	Walker, Ore	561	D	do		
3690	Creswell, Ore	579	D	do		
3700	Goshen, Ore	585	D	do		
3710	Eugene, Ore.[1]	592	D	do		
3720	Springfield, Ore	4	D	US 20		
3730	Eugene, Ore.[1]	592	D	St 40-US 99E-99W-99		
3740	Junction City, Ore	606	D	do		
3750	Junction City, Ore	606	D	St 40-US 99E-99W-99-99E		
3760	Harrisburg, Ore	610	D	do		
3770	Halsey, Ore	619	D	do		
3780	Shedd, Ore	624	D	do		
2026						
3790	Tangent, Ore	630	D	St 40-US 99E-99W-99E		
3800	Albany, Ore	637	D	do		
3810	Jefferson, Ore	646	D	do		
3820	Salem, Ore.[1]	663	D	do		
3830	Oregon City, Ore	701	D	do		
3840	Portland, Ore.[1]	714	D	do		
3850	Junction City, Ore	606	D	St. 40-US 99E-99W-99-99W.		
3860	Monroe, Ore	614	D	do		
3870	Corvallis, Ore	630	D	do		
3880	Monmouth, Ore	630	D	do		
3890	McMinnville, Ore	678	D	do		
3900	Dundee, Ore	690	D	do		
3910	Newberg, Ore	693	D	do		
3920	Tigard, Ore	708	D	do		
3930	Portland, Ore.[1]	716	D	do		
3940	Portland, Ore.[1]	716	D	US 30		
3950	Troutdale, Ore	15	D	do		
3960	Bridal Veil, Ore	31	D	do		
3970	Bonneville, Ore	43	D	do		
3980	Cascade Locks, Ore	47	D	do		
3990	Hood River, Ore	67	D	do		
4000	Mosier, Ore	74	D	do		
4010	Rowena, Ore	83	D	do		
4020	The Dalles, Ore.[1]	92	D	do		
4030	Seufert, Ore	95	D	do		
4040	Dillon, Ore	102	D	do		
4050	Miller, Ore	112	D	do		
4060	Portland, Ore.[1]	714	D	US 99		
4070	Vancouver, Wn.[1]	722	D	US 99-830		
4080	Camas, Wn	736	D	do		
4090	Washougal, Wn	739	D	do		
4100	Stevenson, Wn	766	D	do		
4110	White Salmon, Wn	786	D	US 99-830		
4120	Lyle, Wn	798	D	do		
4130	Smithville, Wn	821	D	do		
4140	Goldendale, Wn	836	D	US 99-830-97		
4150	Toppenish, Wn.[1]	888	D	do		
4160	Toppenish, Wn.[1]	0	D	County Road		
4170	Wapato, Wn	6	D	do		
4180	Union Gap, Wn	15	D	do		
2027						
4190	Toppenish, Wn.[1]	888	D	US 99-830-97		
4200	Buena, Wn	892	D	do		
4210	Union Gap, Wn	904	D	do		
4220	Yakima, Wn.[1]	907	D	do		
4230	Pomona, Wn	916	D	do		
4240	Ellensburg, Wn.[1]	943	D	do		
4250	Ellensburg, Wn.[1]	0	D	US 97		
4260	Teanaway, Wn	20	D	US 97-10		
4270	Cle Elum, Wn	25	D	do		
4280	Ellensburg, Wn.[1]	943	D	US 99-830-97		

See footnotes at end of table.

Route No. 3.—Showing routes and terminals served between San Francisco California, etc.—Continued

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
4290	Vantage Bridge, Wn	974	D	US 99-830-97-St 7		
4300	Burke, Wn	986	D	do		
4310	Quincy, Wn	996	D	do		
4320	Quincy, Wn	0	D	St 7		
4330	Ephrata, Wn	18	D	do		
4340	Soap Lake, Wn	25	D	do		
4350	Coulee City, Wn	50	D	do		
4360	Coulee Dam Site, Wn	31	D	St 7-2 (Grand Coulee)		
4370	Quincy, Wn	996	D	US 99-830-97-St 7-10		
4380	Trinidad, Wn	1004	D	do		
4390	Rock Island, Wn	1018	D	do		
4400	Wenatchee, Wn.[1]	1029	D	do		
4410	Wenatchee, Wn.[1]	0	D	US 10		
4420	Waterville, Wn	30	D	do		
4430	Wenatchee, Wn.[1]	0	D	US 10-97		
4440	Cashmere, Wn	12	D	do		
4450	Dryden, Wn	17	D	do		
4460	Blewett, Wn	31	D	do		
4470	Teanaway, Wn	61	D	do		
4480	Cle Elum, Wn	65	D	do		
4490	Toppenish, Wn.[1]	0	D	US 97		
4500	Alfalfa, Wn	5	On call		County Road	3-1
4510	Satus, Wn	11	On call		County Road	
4520	Mabton, Wn	19	D	County Road		
4530	Prosser, Wn	30	D	US 97-410		
4540	Toppenish, Wn.[1]	0	D	US 97		
4550	Buena, Wn	4	D	US 97-410		
4560	Zillah, Wn	8	D	do		
4570	Granger, Wn	14	D	do		
4580	Sunnyside, Wn	24	D	do		
4590	Grandview, Wn	31	D	do		
4600	Prosser, Wn	39	D	do		
4610	Kiona, Wn	53	D	do		
4620	Kennewick, Wn	65	D	do		
4630	Pasco, Wn	69	D	do		

North-bound—Read down. South-bound—Read up.

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in Section Two for time schedule reference.

2028 *Route No. 4.—Showing routes and terminals served between San Francisco and Sacramento, California, on the one hand, and Missoula, Montana; Spokane, Washington; Huntington and John Day, Oregon, on the other hand, via Highways US 97 and US 99 (known as The Dalles-California Highway) in Classes A and B–1–6–17 service*

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
6000	San Francisco, Calif.[1]	0	D	St 40		
6010	Oakland, Calif.[1]	9	D	do		
6020	Fairfield, Calif	43	D	do		
6030	Davis Jct., Calif	83	D	St 40-US 99W		
6040	Woodland, Calif	92	D	do		
6050	Arbuckle, Calif	120	D	do		
6060	Willows, Calif	150	D	do		
6070	Orland, Calif	175	D	do		
6080	Corning, Calif	188	D	do		
6090	Red Bluff, Calif.[1]	206	D	St 40-US 99W-99		
6100	Anderson, Calif	226	D	do		
6110	Redding, Calif.[1]	237	D	St 40-US 99W-99		
6120	Sacramento, Calif.[1]	0	D	US 99		

See footnotes at end of table.

Route No. 4.—Showing routes and terminals served between San Francisco and Sacramento, California, etc.—Continued

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
6130	Roseville, Calif	21	D	US 99-99E		
6140	Lincoln, Calif	31	D	do		
6150	Marysville, Calif.[1]	55	D	do		
6160	Yuba City, Calif	57	D	do		
6170	Gridley, Calif	72	D	do		
6180	Chico, Calif.[1]	104	D	do		
6190	Red Bluff, Cal	144	D	do		
6200	Redding, Calif.[1]	175	D	US 99-99E-99		
6210	Redding, Calif.[1]	237	D	St 40-US 99E-99W-99		
6220	Dunsmuir, Calif	295	D	do		
6230	Mt. Shasta, Calif	304	D	do		
6240	Weed, Calif.[1]	313	D	St 40-US 99E-99W-99-97.		
6250	Macdoel, Calif	354	D	do		
6260	Dorris, Calif.[1]	365	D	do		
6270	Worden, Ore	372	D	do		
6280	Midland, Ore	378	D	do		
6290	Klamath Falls, Ore.[1]	386	D	do		
6300	Algoma, Ore	397	D	do		
6310	Modoc Point, Ore	405	D	do		
6320	Chiloquin, Ore	6	D	County Road		
6330	Klamath Agency, Ore	417	D	St 40-US 99E-99W-99-97.		
6340	Fort Klamath, Ore	425	D	do		
6350	Chemult, Ore.[1]	462	D	do		
6360	Crescent, Ore	480	D	St 40-US 99E-99W-99-97.		
6370	Gilchrist, Ore	481	D	do		
6380	Lapine, Ore	496	D	do		
6390	Bend, Ore.[1]	530	D	do		
6400	Redmond, Ore.[1]	546	D	do		
6410	Powell Butte, Ore	8	D	US 28		
6420	Prineville, Ore.[1]	19	D	do		
6430	Sisters, Ore.[1]	20	Mon.	US 28		
6440	Suttle Lake, Ore.[1]	35	Mon.	US 28-St 54		
2029						
6450	Millican, Ore	25	D	St 54		
6460	Brothers, Ore	43	D	do		
6470	Hampton, Ore	64	D	do		
6480	Gap Ranch, Ore	92	D	do		
6485	Burns, Ore.[1]	132	D	do		
6487	Crane, Ore	29	Fri.	St 78		
6490	Redmond, Ore.[1]	546	D	St 40-US 99E-99W-99-97.		
6500	Terrebonne, Ore	552	D	do		
6510	Oromite Mine, Ore.[1]	7	Fri.	County Road		
6520	Terrebonne, Ore	552	D	St 40-US 99E-99W-99-97.		
6530	Madras, Ore	574	D	do		
6540	Warm Springs, Ore.[1]	15	T-T-S	County Road		
6550	Madras, Ore	574	D	St 40-US 99E-99W-99-97.		
6560	Shaniko, Ore	614	D	do		
6570	Grass Valley, Ore	643	D	do		
6580	Moro, Ore	653	D	do		
6590	Wasco, Ore	662	D	do		
6600	Biggs, Ore	672	D	St 40-US 99E-99W-99		
6610	Rufus, Ore	677	D	US 97-30		
6620	Quinton, Ore	691	D	do		
6630	Blalock, Ore	697	D	do		
6640	Arlington, Ore.[1]	706	D	do		
6650	Arlington, Ore.[1]	0	D	St 40-US 99E-99W-99-US 97-30-St 19.		
6660	Shutler, Ore	7	D	do		
6670	Olex, Ore	17	D	do		
6680	Gwendolen, Ore	30	D	do		
6690	Condon, Ore	38	D	do		
6700	Mayville, Ore	51	D	do		
6710	Fossil, Ore	59	D	do		
6720	Service Creek, Ore	80	D	do		
6730	Spray, Ore	92	D	do		
6740	Kimberly, Ore	105	D	do		

See footnotes at end of table.

Route No. 4.—Showing routes and terminals served between San Francisco and Sacramento, California, etc.—Continued

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
6750	Dayville, Oreg	131	D	St 40-US 99E-99W-99-US 97-30-St 19-US 28		
6760	Mt. Vernon, Ore	154	D	do		
6770	John Day, Ore.[1]	163	D	do		
6780	Arlington, Ore.[1]	0	D	St 40-US 99E-99W-99-US 97-30.		
6781	Umatilla, Ore	751	D	St 40-US 99E-99W-99-US 97-30.		
2000						
6782	Cold Springs, Ore	762	D	St 40-US 99E-99W-99-US 97-30-395.		
6783	Holdman, Ore	775	D	do		
6790	Hermiston, Ore	52	D	St 40-US 99E-99W-99-US 97-30.		
6800	Stanfield, Ore	58	D	do		
6810	Echo, Ore	61	D	do		
6820	Pendleton, Ore.[1]	81	D	do		
6830	Mission, Ore	87	D	do		
6840	Emigrant Park, Ore	109	D	do		
6850	Meacham, Ore	111	D	do		
6860	Kamela, Ore	117	D	do		
6870	Five Points, Ore	129	D	do		
6880	Perry, Ore	132	D	do		
6890	La Grande, Ore	136	D	do		
6900	Hot Lake, Ore	145	D	do		
6910	Union, Ore	151	D	do		
6920	North Powder, Ore	167	D	do		
6930	Haines, Ore	175	D	do		
6940	Baker, Ore	186	D	do		
6950	Pleasant Valley, Ore	200	D	do		
6960	Durkee, Ore	211	D	do		
6970	Nelson, Ore	217	D	do		
6980	Dixie, Ore	222	D	do		
6990	Lime, Ore	227	D	do		
7000	Huntington, Ore.[1]	232	D	do		
7010	Arlington, Ore.[1]	766	D	St 40-US 99E-99W-99-97-US 30.		
7015	Heppner Jct., Ore	717	D	do		
7020	Boardman, Ore	732	D	do		
7030	Irrigon, Ore	744	D	do		
7040	Umatilla, Ore	751	D	do		
7050	Wallula, Wn	779	D	St 40-US 99E-99W-99-97-US 30-730-395.		
7060	Kennewick, Wn.[1]	797	D	St 40-US 99E-99W-99-97-US 30-730-395-410.		
7070	Pasco, Wn	799	D	St 40-US 99E-99W-99-97-US 30-730-395-410-395.		
7080	Eltopia, Wn	817	D	do		
7090	Connell, Wn	835	D	do		
7100	Lind, Wn	863	D	do		
7110	Ritzville, Wn	890	D	do		
7120	Ritzville, Wn	0	D	St 18		
2031						
7130	Wheeler, Wn	38	D	St 18		
7140	Neppel, Wn	44	D	do		
7150	Mae, Wn	53	D	do		
7160	Ritzville, Wn	880	D	St 40-US 99E-99W-99-97—US 30-730-395-410-395.		
7170	Sprague, Wn	904	D	do		
7180	Tyler, Wn	919	D	do		
7190	Cheney, Wn	929	D	do		
7200	Spokane, Wn.[1]	948	D	do		
7210	Spokane, Wn.[1]	0	D	US 10		
7220	Reardon, Wn	24	D	do		
7230	Davenport, Wn	37	D	do		

See footnotes at end of table.

Route No. 4.—Showing routes and terminals served between San Francisco and Sacramento, California, etc.—Continued

Index No.	Station	Miles	Service	Routes		Notes applicable
				Scheduled	Nonscheduled	
7240	Harrington, Wn.	51	D	US 10-St 7		
7250	Mohler, Wn.	58	D	do		
7260	Downs, Wn.	61	D	do		
7270	Lamona, Wn.	66	D	do		
7280	Odessa, Wn.	76	D	do		
7290	Marlin, Wn.	95	D	do		
7300	Wilson Creek, Wn.	103	D	do		
7310	Stratford, Wn.	110	D	do		
7320	Adrian, Wn.	116	D	do		
7330	Spokane, Wn.[1]	948	D	St 40-US 99E-99W-99-97—30-730-305-410-395-10.		
7340	Coeur D'Alene, Ida.	981	D	do		
7350	Wallace, Ida.	1033	D	do		
7360	Taft, Mont.	1051	D	do		
7370	Saltese, Mont.	1058	D	do		
7375	Haugan, Mont.	1063	D	do		
7380	DeBorgia, Mont.	1070	D	do		
7390	Cabin City, Mont.	1073	D	do		
7400	St. Regis, Mont.	1084	D	do		
7410	Superior, Mont.	1097	D	do		
7420	Forest Grove, Mont.	1109	D	do		
7430	Cyr, Mont.	1113	D	do		
7440	Alberton, Mont.	1125	D	do		
7450	Huson, Mont.	1135	D	do		
7460	Frenchtown, Mont.	1140	D	do		
7470	Desmet, Mont.	1149	D	do		
7480	Missoula, Mont.[1]	1156	D	do		

North-bound—Read down. South-bound—Read up.

(See page 3 for explanation of abbreviations.)

[1] Indicates stations shown in Section Two for Time Schedule reference.

Matter formerly carried on this page intentionally left off.

2033 SECTION TWO—TIME SCHEDULE GOVERNING CLASS A AND B SERVICE, ALPHABETICALLY ARRANGED

2034

Schedule A

See page 33 for notes and explanation of abbreviations.

To / From—	Arlington, Ore.		Baker, Ore.		Bend, Ore.		Burns, Ore.		Centralia, Wn.		Chemult, Ore.		Chico, Calif.		Cle Elum, Wn.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore.													3 M	2 M		
Baker, Ore.													3 M	2 M		
Bend, Ore.													2 M	2 M		
Burns, Ore.													2 M	2 M		
Centralia, Wn.													3 M	2 M		
Chemult, Ore.													2 M	1 M		
Chico, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Cle Elum, Wn.													4 M	3 M		
Coquille, Ore.															4 M	3 M
Coulee Dam Site, Wn.																
Crescent City, Cal.		3 M		3 M									4 M	2 M		
Davenport, Wn.										3 M						
Dorris, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A	4 M	3 M		4 M
Ellensburg, Wn.															4 M	3 M
Eugene, Ore.													3 M	2 M		
Eureka, Calif.		3 M		3 M									2 M	1 M		
Grants Pass, Ore.										3 M						4 M
Huntington, Ore.													2 M	1 M		
Kelso, Wn.													3 M	3 M		
Kennewick, Wn.													3 M	2 M		
Klamath Falls, Ore.													3 M	2 M		
La Grande, Ore.													1 M	1 M		
Lakeview, Ore.													3 M	2 M		
Longview, Wn.													1 M	1 M		
Marshfield, Ore.													3 M	2 M		
Marysville, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Medford, Ore.													1 M	1 M		
Missoula, Mont.													4 M	3 M		
North Bend, Ore.																
Oakland, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M

697886—45—vol. 2—58

U. S. ET AL. VS. PIERCE AUTO FREIGHT LINES, INC., ET AL. 2415

Route No. 5.—Showing Routes and Terminals served between San Francisco, and Sacramento, California, and Lakeview, Oregon, in Classes A and B–1–6–17 Service—Continued

To / From—	Arlington, Ore.		Baker, Ore.		Bend, Ore.		Burns, Ore.		Centralia, Wn.		Chemult, Ore.		Chico, Calif.		Cle Elum, Wn.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Olympia, Wn.													3 M	2 M		
Pendleton, Ore.													3 M	2 M		
Portland, Ore.													2 M	2 M		
Prineville, Ore.													2 M	2 M		
Red Bluff, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Redding, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Redmond, Ore.													2 M	2 M		
Roseburg, Ore.													2 M	1 M		
Sacramento, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Salem, Ore.													2 M	1 M		
San Francisco, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Seattle, Wn.													3 M	2 M		
Spokane, Wn.													3 M	2 M		
Tacoma, Wn.													3 M	2 M		
The Dalles, Ore.													3 M	2 M		
Vancouver, Wn.													2 M	2 M		
Weed, Calif.	3 M	2 M	3 M	2 M	2 M	1 A	2 M	2 M	3 M	2 M	2 M	1 A			4 M	3 M
Wenatchee, Wn.													3 M	2 M		
Yakima, Wn.													3 M	2 M		

2035 To / From—	Coquille, Ore.		Coulee Dam Site, Wn.		Crescent City, Calif.		Davenport, Wn.		Dorris, Calif.		Ellensburg, Wn.		Eugene, Ore.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore.						3 M			3 M	2 M				
Baker, Ore.						3 M			3 M	2 M				
Bend, Ore.									2 M	1 A				
Burns, Ore.									3 M	1 A				
Centralia, Wn.						3 M			3 M	1 A				
Chemult, Ore.														
Chico, Calif.			3 M	2 M			3 M	2 M			3 M	2 M	2 M	1 A

Cle Elum, Wn						4 M			4 M	3 M					
Coquille, Ore						1 M									
Coulee Dam Site, Wn						3 M			3 M	2 M					
Crescent City, Calif		1 A		3 M				3 M					3 M		2 M
Davenport, Wn						4 M			4 M	3 M					
Dorris, Calif			3 M	2 M			3 M	2 M			3 M	2 M	2 M		1 A
Ellensburg, Wn						3 M			3 M	2 M					
Eugene, Ore						2 M				1 M					
Eureka, Calif		1 A		3 M				3 M					3 M		2 M
Grants Pass, Ore															
Huntington, Ore						4 M			3 M	3 M					
Kelso, Wn						3 M			3 M	1 A					
Kennewick, Wn						3 M			3 M	2 M					
Klamath Falls, Ore															
La Grande, Ore						3 M			3 M	2 M					
Lakeview, Ore									1 M	1 M					
Longview, Wn						3 M			3 M	1 A					
Marshfield, Ore						1 M									
Marysville, Calif			3 M	2 M			3 M	2 M			3 M	2 M	2 M		1 A
Medford, Ore															
Missoula, Mont						4 M			4 M	3 M					
North Bend, Ore						1 M									
Oakland, Calif		1 A	3 M	2 M			3 M	2 M			3 M	2 M	2 M		1 A
Olympia, Wn						3 M			3 M	1 A					
Pendleton, Ore						3 M			3 M	2 M					
Portland, Ore						2 M			2 M	1 A					
Prineville, Ore									2 M	2 A					
Red Bluff, Calif			3 M	2 M			3 M	2 M			3 M	2 M	2 M		1 A
Redding, Calif			3 M	2 M			3 M	2 M			3 M	2 M	2 M		1 A
Redmond, Ore									2 M	1 A					
Roseburg, Ore															
Sacramento, Calif			3 M	2 M			3 M	2 M			3 M	2 M	2 M		1 A
Salem, Ore						2 M			2 M	1 A					
San Francisco, Calif		1 A	3 M	2 M		1 M	3 M	2 M			3 M	2 M	2 M		1 A
Seattle, Wn						3 M			3 M	1 A					
Spokane, Wn						3 M			3 M	2 M					
Tacoma, Wn						1 M			3 M	1 A					
The Dalles, Ore						3 M			3 M	2 M					
Vancouver, Wn						2 M			2 M	1 A					
Weed, Calif	2 M	2 M	3 M	2 M			3 M	2 M			3 M	2 M	2 M		1 A
Wenatchee, Wn						3 M			3 M	2 M					
Yakima, Wn						3 M			3 M	2 M					

NOTE.—Klamath Falls, Ore., to Dorris, Calif., afternoon delivery with morning pick-up or first morning delivery with afternoon pick up.

See footnotes at end of tables.

Route No. 5—Showing Routes and Terminals served between San Francisco and Sacramento, California, and Lakeview, Oregon, in Classes A and B-1-6-17 Service—Continued

2036 To / From—	Eureka, Calif.		Grants Pass, Ore.		Huntington,		Kelso, Wn.		Kennewick, Wn.		Klamath Falls, Ore.		La Grande, Ore.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore		3 M												
Baker, Ore		3 M												
Bend, Ore														
Burns, Ore		3 M												
Centralia, Wn			2 M	1 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Chemult, Ore														
Chico, Calif		4 M												
Cle Elum, Wn		1 M												
Coquille, Ore		3 M				3 M		3 M		3 M				3 M
Coulee Dam Site, Wn														
Crescent City, Calif		4 M			3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Davenport, Wn														
Dorris, Calif		3 M												
Ellensburg, Wn		2 M				3 M		3 M		3 M				3 M
Eugene, Ore														
Eureka, Calif														
Grants Pass, Ore		4 M												
Huntington, Ore		3 M												
Kelso, Wn		3 M												
Kennewick, Wn														
Klamath Falls, Ore		3 M												
La Grande, Ore														
Lakeview, Ore		3 M												
Longview, Wn		1 M												
Marshfield, Ore			2 M	1 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Marysville, Calif														
Medford, Ore		4 M												
Missoula, Mont		1 M												
North Bend, Ore			2 M	1 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Oakland, Calif														
Olympia, Wn		3 M												
Pendleton, Ore		3 M												
Portland, Ore		2 M												
Prineville, Ore														
Red Bluff, Calif			2 M	1 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M
Redding, Calif			3 M	1 M	3 M	2 M	3 M	2 M	3 M	2 M	1 M	1 M	3 M	2 M

| | | |

Route No. 5.—Showing Routes and Terminals served between San Francisco and Sacramento, California, and Lakeview, Oregon, in Classes A and B-1-6-17 Service—Continued

2037 To / From—	Lakeview, Ore.		Longview, Wn.		Marshfield, Ore.		Marysville, Calif.		Medford, Ore.		Missoula, Mont.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore							3 M	2 M				
Baker, Ore							3 M	2 M				
Bend, Ore							2 M	2 M				
Burns, Ore							2 M	2 M				
Centralia, Wn							3 M	2 M				
Chemult, Ore							2 M	1 M				
Chico, Calif	2 M	1 A	3 M	2 M					1 M	1 M	4 M	3 M
Cle Elum, Wn							4 M	3 M				
Coquille, Ore												
Coulee Dam Site, Wn							4 M	2 M				
Crescent City, Calif				3 M		1 A						4 M
Davenport, Wn							4 M	3 M				
Dorris, Calif	2 M	1 A	3 M	2 M							4 M	3 M
Ellensburg, Wn							3 M	2 M				
Eugene, Ore							2 M	1 M				
Eureka, Calif				3 M		1 A						4 M
Grants Pass, Ore							2 M	1 M				
Huntington, Ore							3 M	3 M				
Kelso, Wn							3 M	2 M				
Kennewick, Wn							3 M	2 M				
Klamath Falls, Ore							1 M	1 M				
La Grande, Ore							3 M	2 M				
Lakeview, Ore							1 M	1 M				
Longview, Wn							3 M	2 M				
Marshfield, Ore												
Marysville, Calif	2 M	1 A	3 M	2 M					1 M	1 M	4 M	3 M
Medford, Ore							1 M	1 M				
Missoula, Mont							4 M	3 M				
North Bend, Ore												
Oakland, Calif	2 M	1 A	3 M	2 M		1 A			1 M	1 M	4 M	3 M
Olympia, Wn							3 M	2 M				
Pendleton, Ore							3 M	2 M				
Portland, Ore							2 M	2 M				
Prineville, Ore							2 M	2 M				
Red Bluff, Calif	2 M	1 A	3 M	2 M					1 M	1 M	4 M	3 M
Redding, Calif	2 M	1 A	3 M	2 M					1 M	1 M	4 M	3 M

| | | |

Route No 5—Showing Routes and Terminals served between San Francisco, and Sacramento, California, and Lakeview, Oregon, in Classes A and B-1-6-17 Service—Continued

2038 To..... / From—	North Bend, Ore.		Oakland, Calif.		Olympia, Wn.		Pendleton, Ore.		Portland, Ore.		Prineville, Ore.		Red Bluff, Calif.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore.			3 M	2 M									3 M	2 M.
Baker, Ore.			3 M	2 M									3 M	2 M.
Bend, Ore.			2 M	2 M									2 M	2 M.
Burns, Ore.			1 2 M	1 2 M									1 2 M	1 2 M.
Centralia, Wn.			3 M	2 M									3 M	2 M.
Chemult, Ore.			2 M	1 M									2 M	1 M
Chico, Calif.					3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M	4 M	3 M
Cle Elum, Wn.			4 M	3 M										
Coquille, Ore.			2 M	1 M									4 M	2 M
Coulee Dam Site, Wn.			4 M	2 M										
Crescent City, Calif.		1 A				3 M		3 M		2 M			4 M	3 M
Davenport, Wn.			4 M	3 M										
Dorris, Calif.					3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M	3 M	2 M
Ellensburg, Wn.			3 M	2 M									2 M	1 M
Eugene, Ore.			2 M	1 M										
Eureka, Calif.		1 A				3 M		3 M		2 M			2 M	1 M
Grants Pass, Ore.			2 M	1 M									3 M	3 M
Huntington, Ore.			3 M	3 M									3 M	2 M
Kelso, Wn.			3 M	2 M									3 M	2 M
Kennewick, Wn.			3 M	2 M									1 M	1 M
Klamath Falls, Ore.			1 M	1 M									3 M	2 M
La Grande, Ore.			3 M	2 M									1 M	1 M
Lakeview, Ore.			1 M	1 M									3 M	2 M
Longview, Wn.			3 M	2 M										
Marshfield, Ore.			2 M	1 M										
Marysville, Calif.					3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M	1 M	1 M
Medford, Ore.			1 M	1 M									4 M	3 M
Missoula, Mont.			4 M	3 M										
North Bend, Ore.			2 M	1 M										
Oakland, Calif.		1 A			3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M	3 M	2 M
Olympia, Wn.			3 M	2 M									3 M	2 M
Pendleton, Ore.			3 M	2 M									2 M	2 M
Portland, Ore.			2 M	2 M									2 M	2 M
Prineville, Ore.			2 M	2 M										
Red Bluff, Calif.					3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M		
Redding, Calif.					3 M	2 M	3 M	2 M	2 M	2 M	2 M	2 M	3 M	2 M
Redmond, Ore.			3 M	2 M										

| | | |

Route No. 5—Showing Routes and Terminals served between San Francisco, and Sacramento, California, and Lakeview, Oregon, in Classes A and B-1-6-17 Service—Continued

2039 To / From —	Redding, Calif.		Redmond, Ore.		Roseburg, Ore.		Sacramento, Calif.		Salem, Ore.		San Francisco, Cal.		Seattle, Wn.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
Baker, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
Bend, Ore	2 M	2 M					2 M	2 M			2 M	2 M		
Burns, Ore	2 M	2 M					2 M	2 M			2 M	2 M		
Centralia, Wn	3 M	2 M					3 M	2 M			3 M	2 M		
Chemult, Ore	2 M	1 M					2 M	1 M			2 M	1 M		
Chico, Calif			2 M	1 A	2 M	1 A			2 M	2 M			3 M	2 M
Cle Elum, Wn	4 M	3 M					4 M	3 M			4 M	3 M		
Coquille, Ore											2 M	1 M		
Coulee Dam Site, Wn	4 M	2 M					4 M	2 M			4 M	2 M		
Crescent City, Calif										2 M				3 M
Davenport, Wn	4 M	3 M					4 M	3 M			4 M	3 M		
Dorris, Calif			2 M	1 A					2 M	2 M			3 M	2 M
Ellensburg, Wn	3 M	2 M					3 M	2 M			3 M	2 M		
Eugene, Ore	2 M	1 M					2 M	1 M			2 M	1 M		
Eureka, Calif										2 M				3 M
Grants Pass, Ore	2 M	1 M					2 M	1 M			2 M	1 M		
Huntington, Ore	3 M	3 M					3 M	3 M			3 M	3 M		
Kelso, Wn	3 M	2 M					3 M	2 M			3 M	2 M		
Kennewick, Wn	3 M	2 M					3 M	2 M			3 M	2 M		
Klamath Falls, Ore	1 M	1 M					1 M	1 M			1 M	1 M		
La Grande, Ore	3 M	2 M					3 M	2 M			3 M	2 M		
Lakeview, Ore	1 M	1 M					1 M	1 M			1 M	1 M		
Longview, Wn	3 M	2 M					3 M	2 M			3 M	2 M		
Marshfield, Ore											2 M	1 M		
Marysville, Calif			2 M	1 A	2 M	1 A			2 M	2 M			3 M	2 M
Medford, Ore	1 M	1 M					1 M	1 M			1 M	1 M		
Missoula, Mont	4 M	3 M					4 M	3 M			4 M	3 M		
North Bend, Ore											2 M	1 M		
Oakland, Calif			2 M	1 A	2 M	1 A			2 M	2 M			3 M	2 M

| | | |

Route No. 5—Showing Routes and Terminals served between San Francisco, and Sacramento, California, and Lakeview, Oregon, in Classes A and B-1-6-17 Service—Continued

2040 To / From—	Spokane, Wn.		Tacoma, Wn.		The Dalles, Ore.		Vancouver, Wn.		Weed, Calif.		Wenatchee, Wn.		Yakima, Wn.	
	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed	Present	Proposed
Arlington, Ore									3 M	2 M				
Baker, Ore									3 M	2 M				
Bend, Ore									2 M	2 M				
Burns, Ore									1 2 M	1 2 M				
Centralia, Wn									3 M	1 A				
Chemult, Ore									2 M	1 M				
Chico, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Cle Elum, Wn									4 M	3 M				
Coquille, Ore														
Coulee Dam Site, Wn									4 M	2 M				
Crescent City, Calif		3 M		3 M		3 M		2 A				3 M		3 M
Davenport, Wn									4 M	3 M				
Dorris, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Ellensburg, Wn									3 M	2 M				
Eugene, Ore									2 M	1 M				
Eureka, Calif		3 M		3 M		3 M		2 A				3 M		3 M
Grants Pass, Ore									2 M	1 M				
Huntington, Ore									3 M	3 M				
Kelso, Wn									3 M	1 A				
Kennewick, Wn									3 M	2 M				
Klamath Falls, Ore									1 M	1 M				
La Grande, Ore									3 M	2 M				
Lakeview, Ore									1 M	1 M				
Longview, Wn									3 M	1 A				
Marshfield, Ore														
Marysville, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Medford, Ore									1 M	1 M				
Missoula, Mont									4 M	3 M				
North Bend, Ore														

Oakland, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Olympia, Wn									3 M	1 A				
Pendleton, Ore									3 M	2 M				
Portland, Ore									2 M	2 M				
Prineville, Ore									2 M	2 M				
Red Bluff, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Redding, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Redmond, Ore									2 M	2 M				
Roseburg, Ore									2 M	[1] 1 M				
Sacramento, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Salem, Ore									2 M	[1] 1 M				
San Francisco, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Seattle, Wn									3 M	1 A				
Spokane, Wn									3 M	2 M				
Tacoma, Wn									3 M	2 M				
The Dalles, Ore									3 M	2 M				
Vancouver, Wn									2 M	2 M				
Weed, Calif	3 M	2 M	3 M	2 M	3 M	2 M	2 M	2 M			3 M	2 M	3 M	2 M
Wenatchee, Wn									3 M	2 M				
Yakima, Wn									3 M	2 M				

[1] Indicates departure from point indicated before noon.

Explanation of Characters Used in Section Two

1a—Arrival on the first afternoon after time of departure.
2a—Arrival on the second afternoon after time of departure.
3a—Arrival on the third afternoon after time of departure.
1m—Arrival on first morning after time of departure.
2m—Arrival on second morning after time of departure.
3m—Arrival on third morning after time of departure.

2041 Schedule B—Covering Supplementary Service to Points Not Shown in Schedule A

See page 33 for notes and explanation of abbreviations.

Crane, Oregon—Service from and to Burns, Oregon, weekly on Friday mornings.

Coos Bay Pulp & Paper Co., Oregon, Empire, Oregon—Service from and to Marshfield, Oregon, each morning daily except Sundays and holidays.

Oromite Mine, Oregon—Service from and to Terrebonne, Oregon, weekly on Friday mornings.

Sisters, Oregon, Suttle Lake, Oregon—Service from and to Redmond, Oregon, weekly on Monday mornings.

Springfield, Oregon—Service from and to Eugene, Oregon, each morning daily except Sundays and holidays.

Umpqua, Oregon—Service from and to Roseburg, Oregon, weekly on Friday mornings.

Warm Springs, Oregon—Service from and to Madras, Oregon, tri-weekly on Tuesday, Thursday, and Saturday mornings.

2042 Notes Governing Application of Time Schedules Shown in Section Two

NOTE 1.—For schedules at intermediate points not shown in this section, arrival or departure times at the next more distant point on the same route will apply. See Section One for geographical location of intermediate points.

NOTE 2.—Unless otherwise provided, all schedules shown in this section are daily, except Sundays or holidays.

NOTE 3.—Unless otherwise provided, all departure times are in the afternoon.

NOTE 4.—In the computation of dates, Sundays and holidays are to be excluded.

Exhibit No. 8
Docket MC–42487, Sub. 15, 18, 19, 20
Witness Weisler

Statement showing comparison in number of north-bound coastwise steamer sailings, handling C/L and LCL general commodities between San Francisco Bay Area points and points located along the North Pacific Coast during the years 1934 to 1940, inclusive

[Figures shown are the total sailings for the first week in April of each year as indicated in The Guide, a daily marine shipping paper published by The Guide Publishing Company, 625 California Street, San Francisco, California]

(See below for explanation of notes A B C D E F G)

	1934							1935							1936							1937							1938							1939							1940						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G
American-Hawaiian Steamship Co.:																																																	
N†	1							1							2			1				1														1													
S†	1			1							1				1			1				1			1				1			2				2			1				1			1			
Chamberlain Steamship Co.:																																																	
N	1			1							1																																						
S				1							1																																						
Coastwise Line:																																																	
N																						1			1				1			1				1				1			1						
S																													1			1				1			2			1			2				
Consolidated-Olympic Line:																																																	
N															1			1				2							2			1				1				1				1				
S																																																
Hammond Shipping Co.:																																																	
N				1			1											1			1				1			1				2			1	2			2			1						
S																													1			1																
Luckenbach Steamship Co.:																																																	
N				1							1				1			1							1							2																
S	1			1				1			1				1			2				1										1																
McCormick Steamship Co.:																																																	
N	1			1				1			2				3			3				2				2			2			2				2			2				1			1			
S	1			2				2			2				1			2											1			2				1			2				1			2			
Pacific Steamship Co.:																																																	
N	2			2				2			1				2																																		
S	3			3				1			2				3			1																															
Schafer Bros.:																																																	
N		1																																															
S																																																
Nelson Steamship Co.:																																																	
N				1			2	1						1	2																																	
S	1							1			1			1	1																																	

A, Seattle; B, Grays Harbor; C, Willapa Harbor; D, Portland & Columbia River; E, Marshfield & Coos Bay Ports; F, Coquille River; G, Eureka and Crescent City.

Exhibit No. 3—Continued

	1934							1935							1936							1937							1938							1939							1940						
	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G	A	B	C	D	E	F	G
Miscellaneous: Hobbs Wall, P. & L. Transportation Co., Moore S. S. Co., Beadle S. S. Co.:																																																
N	1						1												1		6					1										1					1	1	1						
S																																																
Total sailings per week by ports, North-bound‡	6	1		7			4	5			5			1	11			7	1		7	6			5	1		2	5			7	1		2	7			4	1	1	2	3			2	1		
Total sailings per week by ports, South-bound‡	7			8				5			8			1	7			6				2			1			1	3			7				4			5				3			6			
Grand total sailings per week, North-bound	18							11							26							14							15							15							6						
Grand total sailings per week, South-bound	15							14							13							4							10							9							8						

A, Seattle; B, Grays Harbor; C, Willapa Harbor; D, Portland & Columbia River; E, Marshfield & Coos Bay Ports; F, Coquille River; G, Eureka and Crescent City.

2044

Exhibit No. 4

Docket No. MC–42487, Sub. 15, 18, 19, 20

Witness Weisler

FROZEN FRUIT PRODUCTION FOR OREGON AND WASHINGTON FOR THE YEARS 1927 TO 1939, INCLUSIVE

Includes Strawberries, Red Raspberries, Loganberries, Black Berries, Black Raspberries, Currants, Goose Berries, Black and R. A Cherries, Red Sour Cherries, Huckleberries, Rhubarb, Pitted Prunes, Unpitted Prunes, Peaches, Apricots, Youngberries, and miscellaneous.

Source of Data.—Through 1938 from Northwest Frozen Foods Association, 1939 data compiled by Western Canner and Packer from individual packers' reports for the Northwest Association.

1927—32,456,152 pounds.
1928—58,883,604 pounds.
1929—41,674,513 pounds.
1930—46,731,514 pounds.
1931—52,462,600 pounds.
1932—42,732,376 pounds.
1933—36,377,767 pounds.
1934—39,465,393 pounds.
1935—49,477,536 pounds.
1936—46,748,677 pounds.
1937—52,296,354 pounds.
1938—58,554,877 pounds.
1939—59,039,362 pounds.

(See page 197—Western Canner & Packer—1940 Yearbook.)

OREGON AND WASHINGTON FROZEN VEGETABLE PACK BY YEARS, 1933 TO 1939, INCLUSIVE

Includes Asparagus, Snap Beans, Lima Beans, Broccoli, Brussels Sprouts, Carrots, Cauliflower, Cut Corn, Corn on Cob, Peas, Peas and Carrots, Spinach, Squash, Miscellaneous.

1933— 2,500,000 pounds.
1934— 3,000,000 pounds.
1935— 7,000,000 pounds.
1936—12,570,000 pounds.
1937—18,805,793 pounds.
1938—29,660,222 pounds.
1939—20,304,646 pounds.

(See page 208—Western Canner & Packer—1940 Yearbook.)

2045 , *Exhibit No. 5*

Docket No. MC–42487—Sub. 15, 18, 19, 20

Witness Weisler

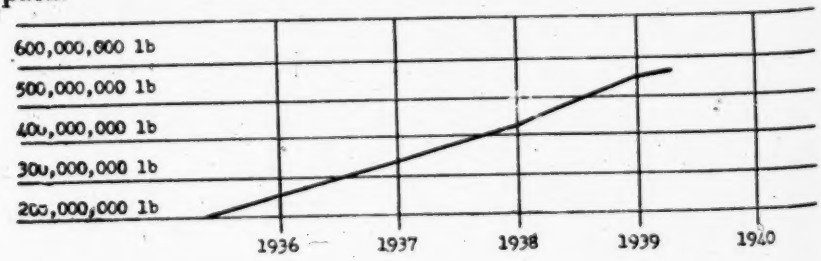
The following is an excerpt from Frozen Foods Directory as presented by Food Industries (1939 Edition).

"Production of frozen foods continues to climb rapidly. The coming year will see a rise of about 31 percent and an output of nearly 550,000,000 lbs. by 117 companies reporting their packs to Food Industries.

"Allowing for the packs of companies not reporting production figures, the volume might go as high as 650,000,000 lbs. During 1938, the pack, as reported by 117 companies, amounted to 419,322,000 lbs.

"There has been little change during the past year in the number of companies in the frozen food industry. There has been, however, a trend toward more quick frozen foods in consumer and institutional packages. Many companies have added new products to their lines, too.

"The curve below is plotted from production figures reported to Food Industries. The percentage increase expected in 1939 is that for companies reporting for both 1938 and 1939. This percentage was applied to the reported 1938 pack to get the apparent 1939 pack."



2046

Exhibit No. 7 (for identification)

Docket MC–42487, Subs. 15, 18, 19, 20

Witness Weisler

Statement showing time of arrival of Oregon-Nevada-California fast freight's trucks and trailers at Medford, showing lapse of time between arrival of truck and trailer

(Number of entries opposite each date indicates number of trips)

1940 Date	Arrival		Elapsed time
	Truck	Trailer	
3-26	1:20 PM	1:30 PM	:10
	2:30 PM	4:00 PM	1:30
	3:35 PM	5:15 PM	1:45
4-2	Kl. Falls	3:20 PM	
	2:30 PM	4:30 PM	2:00
	2:30 PM	8:30 PM	6:00
	5:15 PM	7:30 PM	2:15
	5:15 PM	5:25 PM	:10
4-3	11:10 AM	11:30 AM	:20
	11:30 AM	Solo	
	12:15 PM	12:30 PM	:15
	2:15 PM	2:30 PM	:15
	3:20 PM	3:30 PM	:10
4-4	12:20 PM	1:30 PM	1:10
	2:35 PM	2:50 PM	:15
	3:20 PM	4:00 PM	:40
	3:30 PM	5:30 PM	2:00
4-6	12:50 PM	1:00 PM	:10
	1:45 PM	2:15 PM	:30
	1:45 PM	3:00 PM	1:15
	2:20 PM	Solo	
4-9	12:30 PM	1:05 PM	:35
	12:40 PM	4:55 PM	4:15
	1:40 PM	3:20 PM	1:40
	Kl. Falls	7:00 PM	
	5:20 PM	5:30 PM	:10
4-10	1:10 PM	2:00 PM	:50
	2:40 PM	6:20 PM	3:40
	2:10 PM	Solo	
	3:00 PM	5:20 PM	2:20
	3:45 PM	4:10 PM	:25
4-11	10:45 AM	11:55 AM	1:10
	12:20 PM	2:25 PM	2:05
	2:00 PM	5:05 PM	3:05
	3:20 PM	3:45 PM	:25
4-12	11:10 AM	12:00 N	:50
	1:30 PM	Solo	
	3:00 PM	3:05 PM	:05
	3:15 PM	4:20 PM	1:05
4-14	9:05 AM	3:45 PM	6:40
4-16	10:40 AM	2:30 PM	4:10
	11:00 AM	11:30 AM	:30
	12:45 PM	12:45 PM	
	3:40 PM	4:40 PM	1:00

1940 Date	Arrival		Elapsed time
	Truck	Trailer	
4-17	10:45 AM	Solo	
	11:45 AM	11:45 AM	
	11:50 AM	2:00 PM	1:50
4-18	11:35 AM	6:00 PM	5:25
	12:10 PM	2:45 PM	2:35
	4:45 PM	4:50 PM	:05
	Kl. Falls	6:45 PM	
4-19	10:30 AM	1:50 PM	3:20
	1:25 PM	8:45 PM	7:20
	2:25 PM	3:05 PM	:40
	K. Falls	4:30 PM	
4-20	10:30 AM	11:40 AM	1:10
	10:30 AM	2:00 PM	3:30
	12:50 PM	4:00 PM	3:50
	1:45 PM	Solo	
4-23	1:15 PM	3:15 PM	2:00
	1:50 PM	2:15 PM	:25
	3:10 PM	7:45 PM	4:35
	4:00 PM	4:20 PM	:20
	K. Falls	6:35 PM	
4-24	11:50 AM	5:00 PM	5:10
	12:30 PM	5:00 PM	4:30
	1:40 PM	2:00 PM	:20
	2:45 PM	6:30 PM	4:15
4-25	2:00 PM	5:30 PM	3:30
	2:25 PM	2:30 PM	:05
	3:10 PM	3:45 PM	:35
	3:35 PM	3:35 PM	
4-26	1:40 PM	3:20 PM	1:40
	2:05 PM	2:05 PM	
	3:30 PM	5:20 PM	1:50
4-27	11:45 AM	12:00 N	:15
	1:35 PM	Solo	
	2:15 PM	3:10 PM	:55
	4:20 PM	4:30 PM	:10
4-28	K. Falls	11:30 AM	
	11:45 AM	4:15 PM	4:35
	12:20 PM	2:30 PM	2:10
4-30	11:30 AM	Solo	
	12:10 PM	1:15 PM	1:05
	1:15 PM	4:45 PM	3:30
	1:05 PM	Solo	
	1:40 PM	2:45 PM	1:05

2047 *Exhibit 8*

Consolidated Freightways, Inc.

Balance Sheet as at May 31, 1940

Assets:	
Current Assets:	
Cash on Hand and in Banks	$100,245.98
Accounts Receivable—Less Reserve	225,249.30
Notes and Contracts Receivable	7,423.11
Inventories—Parts, Gas, Oil, Tires	150,027.51
Total Current Assets	482,945.90
Prepayments	71,714.64
Investment and Advances—Affiliated Companies	102,666.91
Investments—Other	10,120.97
Trucks	1,099,304.46
Tractors	69,998.44
Trailers	368,758.70
Other Automotive Equipment	57,142.54
Garage and Shop Equipment	63,886.64
Furniture and Fixtures	95,569.15
Other Equipment	30,866.48
Land	81,913.90
Buildings	218,425.73
Leasehold Improvements	7,941.77
Non-Operating Property	11,075.40
Equipment under Construction	12,302.49
Deferred Debits	6,419.49
Franchises and Goodwill	154,661.51
Total	2,935,715.12
Liabilities:	
Current Liabilities:	
Notes Payable and Trade Acceptances	$1,350.00
Accounts Payable	224,556.57
Accrued Expenses	221,310.30
Total Current Liabilities	447,216.87
Deferred Payment Contracts	161,876.15
Mortgage Notes Payable—Equipment	220,850.05
Mortgage Notes Payable—Land and Buildings	51,221.75
Deferred Liability—Tire Contract	32,300.00
Deferred Credit Suspense	6,222.20
Reserve for Employee Insurance	39,376.36
Reserve for Depreciation	947,738.17
Capital Stock—Preferred	502,525.00
Capital stock—Common	115,379.57
Earned Surplus	411,000.00
Total	2,935,715.12

2048 *Exhibit 9-A*

CONSOLIDATED FREIGHT LINES, INC.
P. O. Box 3618
PORTLAND, OREGON

May 27, 1938.

Mr. J. A. GRITSCH,
Oregon-California Fast Freight,
675 Brannan Street, San Francisco, California.

DEAR JOE: I note the following in a letter from our San Francisco office to Mr. ~~Leibold~~:

"It is common knowledge here that the Oregon-California Fast Freight and the California Motor Express are of the opinion that we intend to operate from Medford through San Francisco to Los Angeles, and thence to Salt Lake City and Boise. I have intimated to them at all times that we have absolutely no intention of engaging in such an operation, but in view of the fact that they will not openly state their views I have difficulty in putting the story over."

During the past eight years when I have received notes, rumors, etc., along these lines I have paid no attention to them, figuring that as time went along they would die and the boys would find something new to talk about, but on getting this one I made up my mind to reply. Maybe its because I'm getting old or maybe its because the same story has been repeated so many times lately, especially some confounded yarn about our buying Pacific Truck Express. I cannot possibly conceive why we would spend any money to acquire Pacific Truck Express when Williams Bros. were willing to practically give us their certificate, with absolutely no money involved.

In all the time our company has been in business no one can recall a single instance where we have instituted service over the lines of a connecting carrier except between Portland and Seattle which was brought about by the fact that the existing lines on that run got together with the idea of throttling us by breaking our connection.

I think you know the circumstances on that run.

2049 Instead of figuring out ways and means of operating our trucks over the lines of connecting carriers we have spent our time and money figuring out ways and means of helping the industry generally and cooperating with our connecting carriers in particular.

Don't even know why I should tell you this because you know it well enough already. I just wish that when discussions get around to this point you would tell the boys that you have known me prob-

ably longer than any of the other fellows and that you are not worried.

Yours very truly,

CONSOLIDATED FREIGHT LINES, INC.
Lee James.
LELAND JAMES.

CC—Jim Conglin, California Motor Express, San Francisco, California.

2050 *Exhibit 9-B*

CONSOLIDATED FREIGHTWAYS, INC.

PORTLAND, OREGON

October 30, 1939.

Mr. J. A. GRITSCH,
Oregon Nevada California Fast Freight,
675 Brannan Street, San Francisco, California.

DEAR JOE: By now you have had a chance to discuss Freightways with Frank. Please let me have your decision, as what you do affects our plans.

Very truly yours,

CONSOLIDATED FREIGHTWAYS, INC.
Leland James.
LELAND JAMES.

Exhibit 10

Witness James

CONSOLIDATED FREIGHTWAYS, INC.

Application M. C. 42487—Sub. 15, 18, 19, 20

Break-down of present north-bound tonnage from California to points to be served by four proposed schedules, for one year prior to July 1, 1940

Month	Seattle schedule			Spokane schedule			Portland schedule			Marshfield schedule			Total weight all routes	Total number shipments
	Total weight	Number of shipments	Average pounds per day	Total weight	Number of shipments	Average pounds per day	Total weight	Number of shipments	Average pounds per day	Total weight	Number of shipments	Average pounds per day		
1940														
June	677,185	2,344	27,087	549,874	2,018	21,994	842,633	2,244	33,705	91,812	332	3,672	[1] 2,161,504	6,938
May	715,549	2,684	27,521	629,140	2,612	24,197	1,071,840	3,522	41,224	106,666	442	4,102	2,523,195	9,260
April	560,694	2,687	22,719	510,017	2,237	19,616	916,473	3,373	35,248	64,278	308	2,472	2,081,462	8,605
March	630,239	2,760	24,239	647,716	2,697	24,912	977,169	3,600	37,583	85,657	438	3,294	2,340,781	9,495
February	647,449	2,287	25,897	540,229	2,064	21,609	741,856	2,904	29,674	72,508	387	2,900	2,002,042	7,642
January	502,550	2,016	19,328	632,812	2,428	24,338	705,088	2,964	27,118	42,911	198	1,650	1,883,361	7,606
1939														
Dec.	585,664	2,154	23,426	690,363	2,160	27,614	784,302	2,856	31,372	68,084	390	2,723	2,128,413	7,560
Nov.	704,342	2,976	28,173	713,100	2,238	28,524	880,257	3,318	35,210	102,017	450	4,080	2,399,716	8,982
Oct.	664,056	2,688	25,540	768,170	3,102	29,545	1,201,135	3,846	46,197	124,952	468	4,805	2,758,313	10,104
Sept.	621,403	2,640	24,856	743,732	3,000	29,749	935,503	3,504	37,420	138,056	504	5,522	2,438,694	9,648
Aug.	791,756	3,036	29,324	502,253	2,106	18,601	941,761	3,004	34,880	123,920	456	4,589	2,359,690	8,602
July	480,878	2,076	19,235	625,294	2,448	25,011	759,579	3,000	30,383	124,452	375	4,978	1,990,203	7,899
	7,611,765	30,348	23,112	7,552,700	29,110	24,643	10,757,596	38,135	35,001	1,145,313	4,748	3,731	27,067,374	102,341

[1] Oakland strike.

2052 *Showing total monthly tonnage north-bound for the period January 1, 1938, to May 31, 1939*

	Total weight all routes		Total weight all routes
1939		1938	
May	1,963,380	Sept	1,450,381
April	1,839,984	Aug	1,446,383
Mar	1,596,947	July	1,308,422
Feb	1,426,032	June	999,629
Jan	1,330,486	May	1,115,530
1938		April	1,012,984
Dec	1,141,118	Mar	1,015,981
Nov	1,412,562	Feb	625,704
Oct	1,411,798	Jan	745,796

2053 *Break-down of present south-bound tonnage to California from points to be served by two proposed schedules, for one year prior to July 1, 1940*

Month	Portland schedule			Marshfield schedule			Total weight all routes	Total number shipments
	Total weight	Number of shipments	Average pounds per day	Total weight	Number of shipments	Average pounds per day		
1940								
June	808,634	1,678	32,345	603,666	92	24,146	1,412,300	1,770
May	871,116	1,547	33,504	499,284	102	19,202	1,370,380	1,649
April	663,024	1,573	25,500	195,610	68	7,523	858,634	1,641
March	599,311	1,574	23,435	33,398	50	1,284	642,709	1,624
Feb	573,478	1,574	22,939	59,595	32	2,383	633,073	1,606
Jan	791,707	1,272	30,450	76,410	31	2,938	868,117	1,303
1939								
Dec	790,189	1,494	31,607	31,446	38	1,257	821,635	1,532
Nov	783,100	378	31,324	83,805	53	3,352	866,905	431
Oct	554,287	1,536	21,318	283,151	60	10,890	837,438	1,596
Sept	547,919	1,440	21,916	112,579	34	4,503	660,498	1,474
Aug	451,656	1,443	16,728	67,460	46	2,498	519,116	1,489
July	363,046	1,215	14,521	25,922	32	1,036	388,968	1,247
	7,807,467	16,524	25,465	2,072,306	638	6,534	9,876,773	17,162

2054 *Showing total monthly tonnage south-bound for the period January 1, 1938, to May 31, 1939*

	Total weight all routes		Total weight all routes
1939		1938	
May	387,260	Sept	510,365
Apr	405,858	Aug	366,286
Mar	448,651	July	372,043
Feb	337,062	June	389,322
Jan	471,144	May	386,210
1938		Apr	417,473
Dec	455,301	Mar	293,201
Nov	481,078	Feb	[1] 226,719
Oct	509,995	Jan	[1] 251,163

[1] Estimated.

2055

Exhibit No. 11

Docket MC-42487—Subs. 15, 18, 19, 20

Witness James

Statement showing number of shipments and tonnage handled in the month of May 1940, from northwest points on lines of consolidated freightways to points in California intermediate to San Francisco and Oakland on the routes applied for

From / To—	Portland (1)		Seattle (2)		Spokane (3)		All other Oregon points (4)		All other Washington points (5)		Idaho and eastern points (6)	
Auburn							1	245				
Berkeley	10	3,931	3	695			6	1,798	1	83		
W. Berkeley									1	745		
Central Valley	1	125										
Chico	2	230					3	295				
Colusa C					1	35						
Davis			1	180								
Dunsmuir	13	1,642	2	817			4	1,095				
El Cerrito									1	41		
Eureka	1	1,025										
Ft. Jones	5	623										
Glenn C	1	35										
Lodi							2	370				
Martinez C	1	645					2	85				
Marysville	3	395	1	300	1	60						
Maxwell	1	72										
Montague C	6	2,681										
Mt. Shasta	16	29,674	1	165								
Napa C	3	168	2	240			1	114				
Orland	1	65										
Oroville C	2	802	2	361								
Petaluma	2	100										
Piedmont	1	332										
Placerville C			1	1,450			1	201				
Red Bluff	4	644									1	168
Redding	33	4,731	1	1,919	3	2,658	1	19	8	6,986	2	215
Richmond	1	15	1	27	1	60	9	3,137	1	336		
Roseville					1	205						
Sacramento	41	24,364	2	237	2	256	3	820	3	618		
N. Sacramento									1	310		
W. Sacramento							2	2,014				
San Leandro	1	42			1	110	6	1,129	6	1,813		
Santa Rosa	1	300					1	59	3	1,302		
Stockton	8	1,141	1	215	4	2,220			1	1,205		
Sebastapol C	1	375										
Vallejo	1	636			1	655						
Weavervilla C	1	1,870										
Weed	7	1,182	2	1,610								
Westwood C			1	70			1	4,049				
Willows	4	294	1	10								
Woodland	2	185			1	125						
Yreka	40	11,400					4	664			2	117
Total	213	89,722	22	8,296	16	6,384	47	16,094	26	13,439	5	500
Grand total	329 shipments—134,435 pounds											

C—Connection.

2056 *Exhibit No. 12*

I. C. C. No. MC–42487

CONSOLIDATED FREIGHT LINES, INC.
PORTLAND, OREGON

October 14, 1938.

Mr. T. S. CARTER, Interstate Motor Lines, Inc.
Mr. CLARENCE GARRETT, Garrett Transfer & Storage Co., Inc.
Mr. JAMES C. COUGHLIN, California Motor Express.
Mr. JOE GRITSCH, Oregon California Fast Freight.
Mr. GROVER EALEY, Inland Motor Freight.

GENTLEMEN: From time to time I have been writing you, gentlemen, urging the formation of a western truck system. There is a constant interchange of freight between our various companies, which could be greatly facilitated by the formation of this system. It would be a great convenience to the shippers to be able to route their freight over the system rather than trying to route it over the line of each carrier.

Several names have been suggested, such as "Transcontinental Trucking System," "United Freight Ways," "American Freight Ways," "Western Freight Ways," "Consolidated Freight Ways." There are plenty of names available and it won't be a very difficult job to adopt a name, trade-mark, and a slogan and register them in the name of the association or company that we will organize.

It would seem to me advisable that the organization be a corporation in which all of the companies would hold an equal amount of stock and that it be set up in such a manner as to permit public financing later.

Under this plan all the companies would be operating under a common system name. There would be no problem of thru-billing. If the shipment was moving from Los Angeles to Seattle, Los Angeles would bill it on the system bills and the shipment would move through on the original billing with a passing record being made at the points where the shipment is interchanged from one company to the other. All of the agencies of each company would report directly to the home offices of each company. This would eliminate settlements in route. On a shipment from Los Angeles to Seattle the Los Angeles office would show on the bill the splits accruing to the various carriers. If the shipment was

2057 a collect shipment, the Seattle office of Consolidated Freight Lines would remit to Consolidated Freight Lines their proportion of the revenue; to Oregon California Fast Freight its

proportion of the revenue; and to the California Motor Express its proportion. If the shipment was a prepaid shipment, Los Angeles would remit to each company its respective proportion of the revenue. On such shipments the originating station would furnish the main office of each company with a copy of the bill, which would be used by the main offices of each company for general accounting.

We could arrange it so that each agency would collect C. O. D. money and remit it directly to the shipper with copies of their draft to the main office of the company that originates the shipment so that they would have a clear record of the payment and C. O. D.

We would adopt a uniform method of tracing shipments and reporting Overs and Shorts.

All of this would certainly greatly simplify our present methods of billing interline shipments and afford to the shipper a greatly improved service.

We would work out ways of easily interchanging equipment as between companies. There is no great difficulty involved here. We could undertake the operation of common terminals at the points where we are now duplicating terminal facilities. We are now working on a conveyor system, which, we believe, is going to be successful and will make a large terminal as efficient as a small one. If we can make the large terminal as efficient as the small ones a common terminal operation will be a big advantage on account of the increased efficiency of a single pick-up and delivery service over several individual services.

Then there is the further advantage of being able to collectively purchase and hire the services of experts.

It seems to me that any of those advantages are important enough to move us towards taking immediate action by calling a meeting not later than the latter part of November. What are your thoughts on the matter?

Very truly yours,

CONSOLIDATED FREIGHT LINES, INC.

(Signed) LELAND JAMES.

2058

Exhibit No. 13

Docket MC-42487—Subs. 15, 18, 19, 20

Exhibit showing number of new factories and wholesalers establishing themselves in San Francisco and Oakland metropolitan areas for the years 1937 to first half of 1940, inclusive, as compiled from daily reports and records of Business Extension Bureau, Ltd., San Francisco

SAN FRANCISCO

1937	1938	1939	1940 (6 months)
221	235	160	111

OAKLAND

105	105	140	51

Compiled by Business Extension Bureau, Ltd., 564 Market Street, San Francisco, California.

2059

Exhibit No. 25

(Corrected)

Docket No. MC—42487—Subs. 15, 18, 19, 20

Examples showing how misinformation is received at Consolidated Freightways' Medford office from Oregon-Nevada-California Fast Freight, as to amount of equipment necessary to handle freight from Medford north

[Information taken from daily telegraphic advices.]

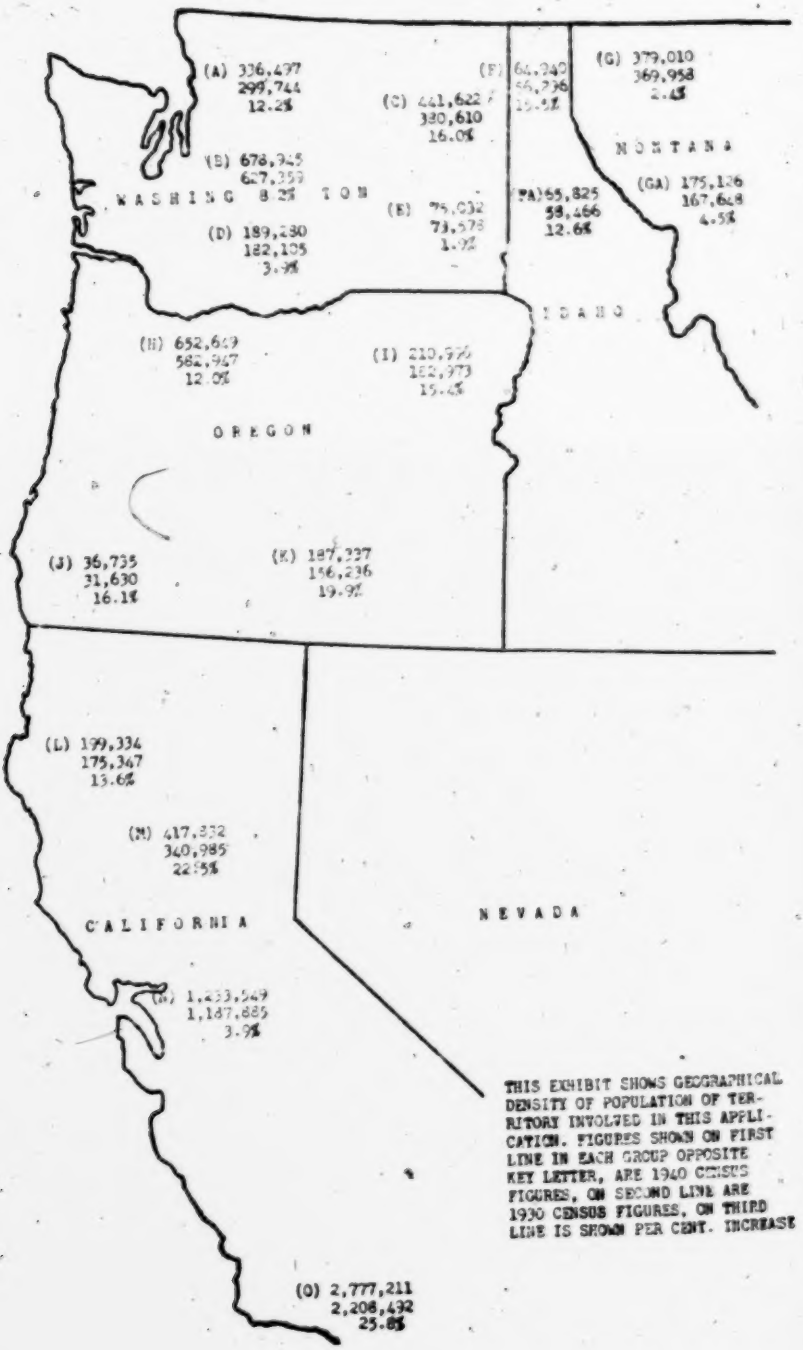
Date	On-off wired (tons)	We actually received (tons)	We supplied equipment for tonnage indicated, resulting in (tons)	
			Oversupply	Undersupply
1940				
5-1	56	55	1	
5-2	48	54		6
5-3	41	49		8
5-6	58	54	4	
5-7	62	53	9	
5-8	[1] 64	48	16	
5-9	45	43	2	
5-10	40	44		4
5-13	48	51		3
5-14	52	52		
5-15	51	54		3
5-16	[2] 45	27	18	
5-17	58	73		15
5-20	44	47		3
5-21	58	57	1	
5-22	33	39		6
5-23	59	51	8	
5-24	27	33		6
5-27	51	55		4
5-28	45	53		8
5-29	63	72		9
5-30	15	15		
5-31	60	63		3
6-2	53	53		
6-3	48	43	5	
6-4	51	45	6	
6-5	45	44	1	
6-6	32	29	3	
6-7	36	49		13
6-10	35	35		
6-11	55	49	6	
6-12	53	62		9
6-13	28	32		4
6-14	38	33	5	
6-17	48	41	7	
6-18	42	43		1
6-19	38	40		2
6-20	51	45	6	
6-21	38	37	1	
6-25	43½	46½		3
6-24	62½	60	2½	
6-26	30	36		6
6-27	38	35	3	
6-28	57	54	3	
7-1	43	37	6	

[1] Truck broke down.
[2] Two trucks broke down.

2060

Exhibit No. 26

Docket No. 42487 Subs. 15, 18, 19, 20



THIS EXHIBIT SHOWS GEOGRAPHICAL DENSITY OF POPULATION OF TERRITORY INVOLVED IN THIS APPLICATION. FIGURES SHOWN ON FIRST LINE IN EACH GROUP OPPOSITE KEY LETTER, ARE 1940 CENSUS FIGURES, ON SECOND LINE ARE 1930 CENSUS FIGURES, ON THIRD LINE IS SHOWN PER CENT. INCREASE

2061

WASHINGTON

	Census 1940	Census 1930	
(A)	336,497	299,744	In 13 counties West, Northeast, and North of Seattle which are served by connecting carriers beyond Portland, Seattle, Wenatchee, etc.
(B)	678,945	627,359	In 2 counties in which Seattle and Tacoma are the principal cities.
(C)	441,622	380,610	In 13 counties in Southern Central, Eastern, and Northeastern Washington, with principal cities and towns served directly by Consolidated Freightways.
(D)	189,280	182,105	In 6 counties in Southwestern Washington, including points between Vancouver and Tacoma, served by connecting carriers.
(E)	75,032	73,578	In 5 counties in Southeastern Washington, served by connecting carriers beyond Portland.
	1,721,376	1,563,396	Total population for the State of Washington (10.1% increase).

IDAHO

(F)	64,940	56,236	In 4 counties in Northern Idaho, with principal cities and towns served directly by Consolidated Freightways.
(FA)	65,825	58,466	In 5 counties in Northern Idaho, served by connecting carriers.
	523,440	445,032	Total population for the State of Idaho (17.6% increase).

MONTANA

(G)	379,010	369,958	In 32 counties in which the principal cities and towns are served directly by Consolidated Freightways.
(GA)	175,126	167,648	In 25 counties in Montana served by connecting carriers.
	554,136	537,606	Total population for the State of Montana (3.1% increase).

OREGON

(H)	652,649	582,947	In 9 counties in Western and midwestern Oregon (principal cities of which are Portland, Salem, Albany, Eugene, Roseburg) served directly by Consolidated Freightways.
(I)	210,996	182,973	In 18 counties in central and Eastern Oregon with principal cities and towns served directly by Consolidated Freightways.
(J)	36,735	31,630	In 2 counties in Southwestern Oregon, the principal cities and towns of one of which are now served directly by Consolidated Freightways.
(K)	187,337	156,236	In 7 counties chiefly in Western Oregon served by connecting carriers from points beyond Medford.
	1,087,717	953,786	Total population for the State of Oregon (14.0% increase).

CALIFORNIA

(L)	199,334	175,347	In 5 counties on Highway 101 between San Francisco and the Oregon line, with principal cities and towns proposed to be served.
(M)	417,832	340,985	In 11 counties between Sacramento River (Carquinez Bridge) and Oregon line on highways 40 and 99, with principal cities and towns proposed to be served.
(N)	1,233,549	1,187,885	In San Francisco, Alameda, and Contra Costa Counties, with principal cities and towns proposed to be served.
(O)	2,777,211	2,208,492	In Los Angeles County only.
	6,873,688	5,677,251	Total population for the State of California (21.1% increase).

2,464,897 Population of territory in Northwest now served directly by Consolidated.
1,850,715 Population of territory in Northern California proposed to be served directly by Consolidated Freightways.

4,315,612 Total Population on lines of Consolidated Freightways' proposed operations in the five States involved.
10,760,357 Grand Total Population of five States involved.

2062 *Exhibit 30*

Before The Interstate Commerce Commission

Docket No. MC 1592 and MC 1592 (Sub. No. 2)

In the Matter of the Application, as Amended, of Pacific Truck Express (a Corporation), (Successor in Interest to Carl Lebengood, Individual, Doing Business as Zero Express) of 1303 S. W. 16th Avenue, Portland, Oregon, for a Certificate of Public Convenience and Necessity of Permit Form BMC–1), Authorizing Operation as a Common or Contract Carrier by Motor Vehicle in the Transportation of Commodities Generally in Interstate Commerce in the States of Oregon and California Over the Following Routes, etc.

BRIEF FOR PROTESTANTS

A. J. Clynch, 404 Union Street, Seattle, Washington, Attorney for Protestants, Great Northern Railway Company and North Pacific Coast Freight Bureau.

Frank C. McCulloch, Pacific Building, Portland, Oregon, Attorney for Protestant, North Pacific Coast Freight Bureau.

Donald A. Schafer, 2029 N. W. Quimby Street, Portland, Oregon, Attorney for Protestant, Consolidated Freight Lines.

Thomas D. Jennings, Pacific Building, Portland, Oregon, Attorney for Protestant, O. J. Mitchell.

B. A. White, 400 Sansome Street, San Francisco, Calif., Attorney for Protestant, Pacific Southwest Railroad Association.

Edward M. Berol, Marvin Handler, 444 Market Street, San Francisco, Calif., Attorneys for Protestant, Oregon-California Fast Freight.

Dated San Francisco, California, December 23, 1938.

2063 (Excerpt from pp. 50–54, inc.)

Applicant Failed to Prove that Public Convenience and Necessity Demand the Institution and/or Continuance of the Service

Existing common carriers by motor vehicle should normally have the right to transport all traffic that they can handle adequately, efficiently and economically in the territories they serve, without the added competition of a new operation. The applicant must show that there is a need or demand for the new operation or that existing transportation facilities are inadequate, inefficient or otherwise deficient. Marini, Common Carrier Application, 2 MCC 727, at 728

The question of public convenience and necessity in substance is whether a new operation or service will serve a useful public purpose, responsive to a public demand or need, whether this purpose can and will be served as well by existing lines and carriers, and whether it can be served by a new operation or service without endangering or impairing the operation of existing carriers contrary to the public interest. Pododsky, Contract Carrier Application, 2 MCC 653, 654 and 655.

The maintenance of sound economic conditions of the motor carrier industry would be jeopardized by allowing new operators to enter the field in competition with existing carriers who are furnishing adequate, efficient, economical service. In order to found a sound economic condition in the industry the Commission has many times held that existing carriers should normally be accorded the right to transport all traffic which they can adequately, efficiently and economically handle in the territory served by them, as against any new operators seeking to enter the field in the absence of a showing that there is a need or demand for the new operation or that existing transportation facilities are inadequate. D. & D. Oil Company, Contract Carrier Application, 1 MCC 329, 332; Clark, Common Carrier Application, 1 MCC 445, at 448; Wellspeak, Common Carrier Application, 1 MCC 712, 715; Monnell, Common Carrier Application, 1 MCC 28.

The mere desire of a common carrier to extend its interstate operation of itself can scarcely be deemed evidence of an existing demand for the service in the absence of a showing that existing transportation facilities are inadequate. Lichtenthal, Extension of Operation, 3 MCC 46, 47. The burden of proving the inadequacy of existing carriers is upon the applicant. Norton, Common Carrier Application, 1 MCC 114, 115–116. The record fails to disclose wherein existing services are inadequate for the public needs. The only features which applicant urges as being an improvement over existing facilities are, first, the fact that second morning delivery, will be made, and, secondly, that no rehandling is necessary by transfer of the ladings. The answer to the first contention is the fact that the service of the Oregon-California Fast
2064 Freight and Consolidated Freight Lines gives the second morning service, so do other motor carriers. Most of the witnesses who testified apparently had never investigated, and so stated, to find out when delivery could be made by other services. The witnesses had, prior to the hearing, been written a letter by applicant, in which applicant proposed or suggested questions and answers. It is believed that many of these witnesses obtained an erroneous impression as to existing services by reason of these matters. In almost every case where the witnesses were asked if

second morning delivery would satisfy them if it were given by any other truck carrier, the answer was in the affirmative. In other words, the service presently available to these shipper witnesses is the service that will satisfy all their needs and requirements. We do not desire to burden the Commission by repeating here all of the testimony of the witnesses which has been abstracted elsewhere in this brief. We believe that a fair and impartial survey of that testimony will convince the Commission that public convenience and necessity is being served by present carriers. As to the rehandling en route, there was the testimony of protestant J. A. Gritsch of the Oregon-California Fast Freight, that hundreds of shipments are transferred daily with negligible damage claims. Furthermore, the testimony of many of the shipper witnesses was that rehandling from the pick-up truck to the line haul truck or for transfer from Portland to points north of Portland, did not damage the commodity. How, then, can it be said that the transfer at Medford would damage said commodity? No shipper witness testified that the service given by any of the protestants was resulting in damage claims which were prejudicial to the interests of the shipper. As a matter of fact, when they were asked the question, invariably they answered that existing services were satisfactory and they were not complaining of them. Thus, even in a case where a new service facilitated through transportation and the time in transit was lessened, the Commission denied the certificate on the ground that it was not proven that public convenience and necessity was not being served by existing carriers. Benedict Lines, Inc., Extension of Operations, 3 MCC 187.

2065 *Exhibit No. 31*

EXTRACTS FROM TESTIMONY OF WITNESS LELAND JAMES BEFORE THE INTERSTATE COMMERCE COMMISSION IN DOCKET NO. MC17593 SUB. 1

APPLICATION OF PIERCE AUTO FREIGHT LINES, INC.

(Tr. 395 to 398 and 400 to 404)

Q. Can you tell us something about the method of handling your business from California and Oregon through Medford in connection with the Oregon-California line, with reference to the terminal facilities and how you handle the shipments?

A. Yes, I can. Taking them right in order, at Medford, the terminal of the Oregon-California Fast Freight and the Consolidated Lines are located in the same building; the trucks are backed up alongside of each other to the same dock; we don't

maintain any other terminals on the part of the Consolidated Lines south of Medford, with the exception of San Francisco and Oakland. So, the intermediate terminals are all maintained by the Oregon-California Fast Freight. At Oakland the two companies maintain joint terminal facilities. I think I got out of my geographical order. I should have mentioned Sacramento first. At Sacramento we maintain joint terminals; at Oakland we maintain joint terminals; at San Francisco our terminals are located almost in the same block. It must be understood, however, that the freight coming north is handled entirely through Mr. Gritsch's terminal.

We don't operate any equipment. Our terminal in San
2066 Francisco is for the purpose of giving transportation east, toward Salt Lake City.

Q. From a practical standpoint what have you to say as to the feasibility or the practicability of handling shipments of freight on through trucks between San Francisco and Portland where you are giving service, and way points?

A. I think you are probably referring to whether or not freight should be rerouted en route.

Q. Yes.

A. We have many long routes, and it has been our experience that on long routes there is a very small proportion of the freight that does not require rerouting. Mr. Gritsch explained that situation very nicely, but in this particular case there is another factor that enters into it. That is the difference between the limitations imposed on weight in the two states. It is really more economical for Mr. Gritsch to operate vehicles of the size that is allowable in California clear through to Medford than for us to operate the vehicles of the size permitted in Oregon to Medford and adjust our freight at that point. The extra expense, if there is any, in readjusting the load is certainly more than made up by the extra efficiency that is attained by the Oregon-California on their Southern operation. It is conjecture on my part, but I would not be surprised our competitors, if they do go along with the operation, will go back to this practical plan of—the plan of operation that we have found practical by using the maximum size of equipment.

Q. There has been considerable discussion in this case regarding advantages and disadvantages of single or joint management. What have you, if anything, to say on this subject?

2067 A. It has been said here that there is tremendous advantage in single management as compared with joint management. It has been urged in tracing shipments, in the handling of claims and the handling of c. o. d. returns, in the sense of security that the shipper may feel in the operation that there is an advantage to a single management rather than a joint management.

I think I would go along with that as a general proposition, that there are some inherent advantages, but I think you have to consider a particular case. In this case we have two operators who have grown up together, who have adopted standards of practice that are common between them. We have, I hope I can say with all due modesty, two above normal, above average operators. It is no disjointed operation in any sense at all. We have a peculiar situation, of where our company maintains offices at practically all of the points in the south, or the main points—that is, we have our joint offices with Mr. Gritsch at Sacramento, joint offices with Mr. Gritsch in Oakland, and our own office in San Francisco. If it became necessary for a shipper, on account of being dissatisfied with the replies the Oregon-California would give him regarding some matter into which he is inquiring, to go direct to us, facilities are there available for him to do that; he can talk to our company direct.

Q. You mean by that, a shipper could get his information direct from one of your own employees at each one of these stations in California which are served by the Oregon-California lines?

A. Or with joint employees, with our own employees, or, in case of a joint terminal arrangement with joint employees. Therefore, I think, in considering this operation, as aside from the general condition, that the advantage of single as against joint is not so great. For practical purposes, it is a well knit single organization.

2068 * * * * *

Q. Is there anything about this case, about the granting of a certificate to this applicant here, which, in your judgment, would have a demoralizing effect on the motor vehicle industry generally?

The WITNESS. If I know what you are getting at, Jack, and I think I do, as I picture the situation, and as I have discussed it with you—I am not taking sides, but if it is any benefit to the record, I want to give the situation as I see it, because, while it might affect us adversely, it might, in some manner set forth the effect favorably. We have a situation here where the operation has been built as far south as Medford, and where another operation has been built north as far as San Francisco.

Mr. FARRENS. You don't mean north as far as San Francisco?

The WITNESS. Yes, from Los Angeles and from Fresno and coming in from the East, and the testimony here went very largely to the fact that this was almost as much an extension of an operation from the south to the north, on account of the Valley Express hook-up, as it is an extension of the northern operation to the south. Both of these companies who are part, or almost part, of this joint operation are favorably situated at their present termini;

that is, Medford and San Francisco. They are well connected with all shippers; they have some connecting lines who are interested in getting their freight through; both in a very similar situation. Now, instead of being content to use the services of a carrier who is in the field, who is serving it, they are urging the fact that they have built this far south and this far north as a justification, and also are urging the fact that that joint operation is now desirable rather than the bridged operation, urging that in lieu of public convenience and necessity, in lieu of the necessity for this
2069 additional service. I could illustrate that a little further by saying in the case of our company we have an operation that goes north as far as Twin Falls, serving all the mountain territory. It comes down to a focal point at Butte, but between Butte and Twin Falls is an independent carrier. We might some day want to urge the point that shippers would be better satisfied with a single management. These are mostly all our shippers that want this other service. We might urge that as being controlling in the case we should be given the right to give this bridged service in between. I am sure that if we took the same attitude that the Pierce Auto Freight Lines have and urged that we, too, be allowed, on the grounds of single ownership, single responsibility—be allowed a certificate of public convenience and necessity to go from Medford to San Francisco, there would be very little for the Oregon-California to subsist on.

2070 *Exhibit No. 32*

EXTRACTS FROM TESTIMONY OF WITNESS O. C. BENNETT BEFORE THE INTERSTATE COMMERCE COMMISSION IN DOCKET NO. MC 17593 SUB. 1 ON REHEARING

(Tr. 540C, 543C to 547C)

Direct Examination by Mr. HICKSON:

Q. Will you state your name, please?

A. O. C. Bennett.

Q. Where do you live?

A. Portland, Oregon.

Q. What is your business or occupation?

A. I am assistant to the president of Consolidated Freightways.

Q. There was some testimony, Mr. Bennett, in the previous hearing at Medford some time ago, at which time the Pierce Auto Freight Lines contended their service was superior to the joint service of the Oregon-California Fast Freight and the Consolidated for movement to California points, by virtue of the fact

that the Pierce Auto Freight Lines operated their trucks from San Francisco to Portland. What have you to say as to whether or not that condition has been changed?

A. That condition has been changed.

Q. How?

A. We interchange trailers with the Oregon-California Fast Freight at Medford.

2071 Q. The trailers are loaded at San Francisco and brought straight through into Portland?

A. Yes; and if the traffic warrants it, those trailers are run even as far as Spokane.

Q. Would the same thing be true in the opposite direction, southbound?

A. Yes.

Q. And that is to the extent that you can operate to points beyond and east of Portland?

A. Yes.

Q. To that extent the service would be superior to that of the Pierce Auto Freight Lines?

A. It would be where the quantity justified the through movement by a trailer, and where it went eventually beyond Portland, because it could go without any change at all.

Q. You eliminate the transfer of cargo at Portland by that method?

A. Yes; if it is going beyond Portland.

Q. Now, how long have you been engaged in the interchange of trailers? That is, with your connecting carrier at Medford?

A. Oh, it has been about—I would say about three months, or something like that.

Q. Have you found that to be a practical arrangement and satisfactory to your customers?

A. Yes, it is.

Q. Has it resulted in any advantage through the avoidance of handling freight at Medford?

A. Well, there are certain economies that can be made by the interchange of freight, without transferring the freight.

2072 Q. The avoidance of the necessity of transfer in the handling of freight at Medford has resulted in a better service to the customer?

A. I believe it has.

Q. And I assume you found a public demand for that through service which justified you in inaugurating this recent improvement?

A. It has been an advantage to the shipping public, no doubt of that. In fact, we are inaugurating it wherever we can with connecting carriers.

2073 *Plaintiff's Exhibit 5*

Before the Interstate Commerce Commission

No. MC-9115 (Sub. No. 1)

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.,
EXTENSION—MEDFORD-PORTLAND, ORE., SAN FRANCISCO, CALIF.

EXCEPTIONS OF APPLICANT OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC. TO REPORT AND ORDER RECOMMENDED BY H. L. HANBACK, EXAMINER, SERVED SEPT. 16, 1941; AND REQUEST FOR FURTHER HEARING

2077 Comes now applicant, Oregon-Nevada-California Fast Freight, Inc, and excepts to the report and order recommended by H. L. Hanback, Examiner, served September 16, 1941, and in support thereof respectfully alleges:

I

The Examiner erred in making the following statements concerning the evidence:

A. "With respect to the proposed extension north of Medford and Klamath Falls, applicant's shipper witnesses testified
2078 in effect as follows: (1) Thirty shippers stated that the joint service of applicant and Consolidated was very good or satisfactory; (2) eleven shippers stated that their personal preference for applicant's service was so great that they would not use a better service by some other carrier; (3) forty shippers were ignorant of all or a part of the existing single-line through services of other carriers; (4) the needs of thirty-six shippers are confined to emergencies or earlier deliveries; (5) forty-seven shippers expressed a desire for any saving of time. Seventeen shippers expressed satisfaction with the service of other carriers; (6) forty-four shippers have not used the available through single-line services; (7) the delay at Medford and Klamath Falls is objectionable to nineteen shippers; (8) six shippers professed ignorance of the joint through trailer service of applicant and Consolidated; (9) four shippers have had their freight damaged by rehandling at Medford and Klamath Falls; and (10) nine shippers have not had any loss or damage claims, or else they were insignificant.

"With respect to the proposed Coos Bay extension, applicant's shipper witnesses testified in effect as follows: (1) Twelve shippers expressed satisfaction with the joint service of applicant and Consolidated; (2) the personal preference for applicant's service expressed by six shippers is so great that they would not use a

better service by some other carriers; (3) twelve shippers
2079 are ignorant of all or a majority of existing single-line services of other carriers; (4) seventeen shippers expressed a desire for a service that would be of any saving in time; (5) the needs of thirteen shippers are confined to emergencies or earlier deliveries; (6) three shippers expressed satisfaction with the services of existing carriers; (7) two shippers objected to the delay and handling in transfer at Medford; and (8) four shippers have not had any loss or damage claims or else they were insignificant.

With respect to the proposed Lakeview extension, applicant's shipper witnesses testified in effect as follows: (1) Seven shippers professed ignorance of all or a majority of the existing services of other carriers; (2) nine shippers desire a service that would be of any saving in time; (3) the needs of eight shippers are confined to emergencies or earlier deliveries; (4) seven shippers expressed satisfaction with the joint service of applicant and Consolidated; (5) six shippers expressed a personal preference for applicant's service, and they would not use a better service by some other carriers; and (6) two shippers have not had any loss or damage claims, or else they were insignificant." (Sheets 15–17.)

B. "Applicant's president, having formed the opinion that no action on the part of the organization could improve the then existing services, declined the first invitation to become a member of Freightways." (Sheet 4.)

2080 C. "It (applicant) operates about three trucks daily between San Franciso Bay points and Medford and Klamath Falls, and one truck daily between Sacramento and Medford." (Sheet 6.)

D. "Applicant's president stated that if Consolidated would adopt the type of equipment which applicant uses there would be no difficulty." (Sheet 12.)

II

The Examiner erred in making the following conclusions which are unsupported by evidence:

A. "The merit of the application depends upon applicant's ability to get traffic originating in Oregon for south-bound movement which is not now moving." (Sheet 12.)

B. "The evidence is convincing that existing carriers, except on rare occasions, have been able to serve the needs of the shipping public in an efficient manner, and that they are able and willing to provide additional suitable equipment when needed." (Sheet 32.)

C. "While the fast service proposed by applicant would be beneficial to the shippers, they have suffered little damage by use of the

schedules of existing carriers, although they have been put to some inconvenience by the use thereof." (Sheet 32.)

D. "The evidence indicates that it is the policy of existing carriers to rearrange their schedules and their operations in
2081 general to meet changing conditions in the transportation industry when brought to their attention." (Sheet 32.)

E. "By reason of their established operations, they (existing carriers) should be accorded the right to transport all traffic which they can handle adequately, efficiently, and economically in the territory served by them, without added competition of a new operation." (Sheet 32.)

F. "With respect to the interchange at Medford, the evidence indicates that the difficulties therewith could be largely, if not entirely, eliminated by closer cooperation between applicant and Consolidated." (Sheet 32.)

III

The Examiner erred in finding:

"The Examiner finds that applicant has failed to show that either the present or future public convenience and necessity require the service proposed by it within the considered territory; and that the application should be denied." (Sheet 33.)

and the Examiner erred in failing to recommend that applicant be granted a Certificate of Public Convenience and Necessity, as prayed for in the application.

2082 ARGUMENT

INTRODUCTION

This application was referred to and heard by Joint Board No. 5 consisting of three members. The report states that the Joint Board was not able to agree, but offers no enlightenment as to why the 3-member-board did not offer the views of a majority or what those views may have been.

The matter was thereupon referred to Examiner Hanback for disposition. A substantial portion of applicant's testimony was heard by a different Examiner, some 1,408 pages of the transcript having been recorded before Examiner Kephart. Thus, the Examiner writing the report and the recommended order had the benefit of hearing all of the testimony of protestants and only a portion of that of applicant. We appreciate that this situation really makes the Examiner's task doubly difficult, for the printed word is never as effective as the personal appearance before the Examiner of the witnesses who testified.

The record altogether comprises some 2,500 pages of testimony and numerous exhibits. Briefs have heretofore been filed by the parties, and an effort will be made herein to avoid duplication of the material set forth in applicant's brief dated February 12, 1941, but the attention of the Commission is respectfully called thereto, for issues are therein discussed which are given little attention in the report of Examiner Hanback.

2083 Applicant will urge in this argument, not only that public convenience and necessity require the proposed service, but that the Examiner seriously erred in his statements concerning the evidence. We realize that the Examiner did not attend the hearings at which the major portion of this testimony was introduced; and that he did not have an opportunity to hear and view the witnesses. This fact may have been conducive to the examiners adopting as substantially correct, summaries of shipper testimony prepared by protestants.

Still, a careful analysis of the record discloses that such summaries are incomplete, inaccurate and misleading. Protestants, obviously, in making these summaries put what they considered their "best foot forward." However, acceptance of such analyses as a summary of the evidence in effect reiterates protestants' argument and unfortunately does not summarize all of the testimony from which a determination of public convenience and necessity must be had. This fact places upon applicant the onerous burden of pointing out to the Commission wherein the statements of the Examiner with respect to the testimony of the shipper witnesses is inaccurate in each instance. This will necessarily expand these exceptions considerably, but since the conclusions of law must ultimately be derived from an application of principles heretofore determined by this Commission, to the facts, it is of the ut-

2084 most importance that the record be correctly placed before the Commission. Applicant does not propose to abstractly argue principles of law, but intends to present a true picture of the record to the Commission in the belief that the proper principles will then naturally follow.

I

THE EXAMINER HAS BEEN GUILTY OF GRAVE INACCURACIES IN RESTATING THE EVIDENCE

A. The Shipper-Witness Testimony was Inaccurately Portrayed by the Examiner

Generally speaking, the applicant seeks authority to extend applicant's operations from Medford to Portland, Oregon; from Medford to the Coos Bay area; from Redding to Lakeview, Ore-

gon; and from Klamath Falls to Goshen, Oregon. The scope of the application is set forth in Appendix A of the report and recommended order. Attention is called to pages 15, 16, and the first 3 lines of page 17 of the report and recommended order. Commencing with the last paragraph of Sheet 15, the Examiner discusses the shipper-witness testimony presented by applicant. Attention is invited to protestants' brief dated February 8, 1941, particularly to the studies inserted at pages 424, 446 and 448, being respectively entitled, "Medford and Klamath Falls-Portland Extension," "Coos Bay Extension," and "Lakeview Extension." The column headings used in these studies have been adopted by the Examiner verbatim, and the results of those studies adopted
2085 almost without change. Thus, with respect to the Portland Extension the Examiner adopts the protestants' summary that "Joint service of applicant and O. N. C. is very good or satisfactory," changing only the number from 31 to 30.

Respecting the heading "Personal preference for O. N. C. is so great that he (witness) would not use a better service by some other carrier," is carried over, but the number is changed from 13 to 11.

The heading, "Ignorant of all or majority of single-line through services of other carriers" is modified from 42 to 40.

The heading, "Needs confined to emergencies or earlier deliveries" is modified from 33 to 36.

The heading, "Saving of time is desirable," is modified from 45 to 47.

The heading, "Service of other carriers adequate," is modified from 19 to 17.

The heading, "Through single-line services not used," is adopted even as to number.

"Delay at Medford or Klamath Falls objectionable," is modified from 17 to 19.

The study lists seven witnesses as being ignorant of the joint through trailer service of applicant and Consolidated, which the report has modified to six.

The summary lists only four witnesses experiencing damage claims by reason of rehandling, which the report adopts as
2086 is. The study shows seven witnesses as testifying to no loss or damage claims, which the report modifies to nine.

With these slight modifications of number, the report unqualifiedly accepts the summary.

As to the Coos Bay Extension, the Examiner again adopted the same column headings, and found them correct, excepting only a slight modification in numbers as to two of them.

Thus, under "Needs Confined to Emergency Shipments or Earlier Deliveries," the study lists 12, the Examiner 13; and under

"Service of Existing Carriers is Adequate" the study lists 4 and the Examiner 3.

With respect to the Lakeview Extension, in only one column is there a variation and that is under the Personal Preference column where the Examiner lists 6 and the study 5.

It is interesting to note that these column headings were very cleverly devised by protestants to reflect testimony most favorable to them and to make it possible to omit from the study references to testimony favorable to applicant. It also will be noted that there is a column referring to adequacy of other services, but no column referring to inadequacy. In fact, there are two such columns for adequacy, because the first column states: "Joint service of Consolidated and O. N. C. is very good or satisfactory." Likewise, there is a column for showing the witnesses ignorant
2087 of all or a majority of existing through-services, but no column to show that the witnesses had used other services and found them inadequate. Thus, a witness with a real need for the service would appear under only one or two columns of the study, while a witness favorable to protestants would appear under almost every column. This fact in itself shows the unfairness of the study. In addition, however, the witnesses were not properly allocated to the respective columns, yet it is evident that the Examiner has almost bodily carried over into his report, not only the column headings, but the allocation, for in only minor instances has there been any difference between his figures and those of protestants.

We shall now demonstrate to the Commission how inaccurate these studies are and a fortiori how inaccurate is the Examiner's report on this subject. To do this, it is necessary that we go through these studies and take each witness separately, which we have done. Where the witness has been fairly abstracted on the study, we have not hesitated to say so; and where he has not been fairly abstracted we have pointed out just what his testimony was, with proper transcript references so that our statements may be checked against the record in this proceeding.

1. The following witnesses are numbered as they appear
2088 in the first study—Portland Extension. Where they appear in the other studies that fact is mentioned.

Witness No. 1 is Klinker. (Also No. 1 in Coos Bay study and No. 12 in Lakeview study.) Klinkner is cited under the "Personal Preference" column and Transcript 912 is cited. Actually, what the witness said is: "We have been giving it to the Oregon-California Fast Freight because they have been giving us good service, and so long as they do that they can have the shipments." He further stated he was satisfied with the service given by ap-

plicant, that he had not had occasion to use Pierce Auto Freight Lines lately. He was further asked: "Would a daily service as given by Pierce Auto Freight Lines at the present time be of any advantage or service to you?" Answer "Well, no. I don't think we would change. We would stick to the Oregon-Cal." On redirect examination he testified that if there were a carrier that could give next-day service to Eugene, for example, and the Oregon-Nevada-California Fast Freight could not get there until the second day, all other factors being equal, he would give the shipment to the carrier that gave the fast service. (Tr. 924.) Klinkner is also listed under the heading, "Ignorant of All or Majority of Existing Single-line Through Service of Other Carriers" and Transcript 917 and 919 is the reference. Actually, a reading of those pages indicates that all the witness said was
2089 that he had not investigated the service of Pacific Truck Express, which outside of applicant and its connection Consolidated, were the only carriers mentioned in those pages. Incidentally, he testified on page 917 that interchange is a matter of inconvenience, because it takes longer for a change of merchandise to be made and to reach its destination, and he also mentioned excess handling. (Tr. 917.) Klinkner is also listed under the columns, "Needs Confined to Emergencies or Earlier Deliveries" and "Any Time Saving Is Desirable" and page 905 is cited. Page 905 does not support the limitations indicated by those column headings. Furthermore, on page 905 he was discussing only shipments to the Coos Bay area, and on page 906 he started talking about the service needed to points north of Medford, which testimony is apparently not considered at all by protestants in their study. Furthermore, Klinkner should have been listed under the column, "Delay at Medford-Interchange-or Klamath Falls Interchange is Objectionable," as the testimony above cited shows.

No. 2 witness considered by protestants in their analysis is James G. Walton. (No. 2 in Coos Bay, No. 1 in Lakeview.) Page 900 does not indicate that Walton was ignorant of all or the majority of the through service. In fact he indicated that he was familiar with them, but wasn't using them. This witness testified that time in transit is important to him for shipments to Marshfield and Lakeview. He is also unlisted with respect to delays in
2090 settlement of loss or damage claims by reason of the interchange. (Tr. 896, 897, 894.) Time in transit is important in all of his shipments. (Tr. 897.) He further stated that the type of service offered would be of advantage, that he would use it and that he requested it be granted. (Tr. 898.)

No. 3 is Harry W. Bishop. (No. 3 in Coos Bay. No. 2 in

Lakeview.) He is listed under the first column of joint service being satisfactory. (Tr. 939.) Actually he said: "Q. And at the present time that meets your need and requirements, does it not?" "A. Well, no; not necessarily. If there is a better service up there that's the service that I am particularly interested in and desire to maintain." And at page 940: "A. It is satisfactory, yes; to a certain extent. As I say, if a faster service can be obtainable that would be more satisfactory." Bishop is also listed as being ignorant of the other carriers, page 951 being cited. There is absolutely nothing on that page so indicating and, as a matter of fact, previous pages show that he did have some familiarity with the other carriers. True, he did not know every fact concerning these carriers, but of their existence he was informed. (Tr. 949, 950.) He is also listed under the column, "Needs Confined to Emergencies or Earlier Deliveries," page 929 being cited. Here is what he said: "All our shipments are highly rush shipments and it is our purpose to obtain the fastest time into Lakeview or any other points, as a matter of fact, on account of our competition from Portland. If it is possible for us to
2091 get our shipments there quicker than competitors in Portland, then of course, naturally, we are interested in the faster service." The column would give rise to the inference that only a small proportion of the shipments were emergency shipments. Actually, every one of these shipments of which the witness was talking was a rush shipment. He testified at 932 and 933 that next-day service to all points as far north as Eugene would be very helpful to him and he would use it in preference to the second-morning service now obtainable.

No. 4 is Winifred Hopkins Goodell. Here protestants' "impartial" abstract refers to two pages, both of which are in the cross-examination. Why this witness was not listed under the column "Delay at Medford," etc., is incomprehensible, but it is characteristic of the inaccuracy of the whole study. He testified as to the difficulty caused by the delay at the interchange point of Medford. (Tr. 953.)

Witness No. 5 is R. E. Barry. This witness presents an interesting commentary on the inaccuracy of the study. The testimony of this witness on direct examination was stipulated to and covers about one full page of the transcript, yet reference to this one page is lacking in the study. While listed as being ignorant of the other carriers, actually he showed familiarity with several of them. (Tr. 966.) This witness ships to the Vancouver, Washougal and Camas area, and testified that his primary interest is in securing faster service. (Tr. 964.)

2092 No. 6 is B. J. Holmes who is listed as testifying to very good or satisfactory joint service of applicant and Consol-

idated, and Transcript 976 is cited. Actually, in Transcript 976 he was talking about only shipments entirely over the line of applicant itself. At 978 he testified that he had used the joint service very little, because he requires through refrigerated service. (Tr. 978.) This shipper generally complained about the lack of facilities for the transportation of poultry and such products by refrigerated equipment and the difficulty he has in obtaining equipment at all during rush seasons. Speed in transit is necessarily important. The study does not reflect any of these essential facts. Furthermore, he is cited as being ignorant of the other carriers, whereas, Transcript 987 shows that he has had experience with about all of the various lines. He should also have been listed as objecting to the delay at Medford. (Tr. 988.)

Witness No. 7 is J. Glenn Stark. This witness was unlisted with respect to delay at Medford, though he has experienced such delay. (Tr. 1006.) He prefers a through service, shipping fire-fighting equipment which is always rush. (Tr. 1006.) He also had used Pierce Auto Freight Lines with bad results. (Tr. 1005, 1009.) This witness also testified that he prefererd one carrier to prevent
2093 delay in settling claims. (Tr. 1012, 1013.)

Witness No. 8 is G. C. Irvine. The direct examination of this witness was stipulated and the study correctly sets forth the essence of his testimony.

Witness No. 9 (No. 4 in Coos Bay) is W. E. Brannon. It is impossible to understand how this witness was omitted from the column "Delay at Medford," etc. He testified that he was receiving second and third morning deliveries and worse at the points involved because of the delay at Medford, and if he received the proposed through service it would increase his business from twenty to fifty thousand dollars a year. (Tr. 1059.) This is true because he competes with people who have warehouses at Seattle and are able to give either same day or next morning service. (Tr. 1058.) Also, he found other carriers inadequate, having used Los Angeles-Seattle Motor Express which he discontinued because of its deficiencies, and went back to applicant. (Tr. 1060.) He has also used Pierce Auto Freight Lines. (Tr. 1060.) Aside from the time element on that line, his general traffic department has advised him to discontinue using it because it was not satisfied with the insurance coverage. (Tr. 1070.) Furthermore, Pierce Auto Freight Lines stated it could not consolidated shipments for him on one bill of lading. (Tr. 1073.) He stated that Los Angeles-Seattle Motor Express, which he had recently used does
2094 not provide second morning delivery to Portland and Seattle as claimed. (Tr. 1079.) It is therefore apparent that this witness was not ignorant of all or a majority of the single line through services, and should not have been listed

under that column. Page 1071, referred to under that column, merely recites the fact that he had used Pierce Auto Freight Lines sometime before. (Tr. 1071.) His testimony also covered the need for faster service to the Coos Bay area.

Witness No. 10 is L. F. Herron. Placing this witness under the column "Services of Other Carriers Is Adequate" is misleading. He did testify that the service of Pacific Truck Express had been satisfactory prior to its sale to Pacific Motor Trucking Company, a railroad owned subsidiary. He testified for applicant because he was looking for a service to take its place. He also wants a fast service, so he should have been listed under the column "Any Time-saving Is Desirable." (Tr. 58, 59.)

Witness No. 11 is Virginia Jones. Virginia Jones is listed as being ignorant of the other carriers. Transcript 87 is cited. There is nothing on that page so indicating and, as a matter of fact, she named practically every carrier in her direct examination. (Tr. 76, 77.) While she did express satisfaction with the service of applicant, she further stated that the delay at Medford was objectionable and she should have been listed under that heading. (Tr. 78.) She gave as reasons for favoring single line serv-

2095 ice expedition of delivery time and single responsibility.

It is also misleading to list her as finding the services of other carriers as being adequate because she specifically mentioned Pacific Truck Express, whose service has been changed by the purchase of that line by the Pacific Motor Trucking Company above referred to (Tr. 82), so it cannot any longer be satisfactory.

No. 12 (No. 5 in Coos Bay) is Ivan L. McCabe. He is listed as finding applicant and Consolidated joint service satisfactory. Actually, he expressed dissatisfaction with the time element. (Tr. 94.) Nor did this witness testify that existing facilities were adequate. Impartial reading of the transcript between the pages cited, 95 to 104, would show that he had a definite aim in coming to the hearing and obtaining better service to points north of Medford and to Coos Bay. He did say the rail service was satisfactory to Klamath Falls and Medford. (Tr. 104.)

No. 13 is David Wilson. (No. 6 in Coos Bay.) He is listed as finding the joint service of applicant and Consolidated satisfactory. Actually, he complained of the delay at Medford. (Tr. 112.) However, he is also listed under that column. These are the only two columns under which this witness is listed on the Portland Extension study which shows that the column headings picked by the protestants tend to bring out only those points favoring the protestants' side of the case. Actually, Wilson

2096 was an excellent witness for the applicant, and here again adopting the column headings in the study of protestants, results in error. This witness has used practically every carrier.

(Tr. 113.) He is president of a transfer and storage company, acting as agent for shippers in routing traffic. (Tr. 107.) He stated he does not believe that present service is adequate. (Tr. 113, 114.) Better motor transportation would be a "big help." This is true as to all points to which the applicant proposes service. (Tr. 114.) He has suffered delay by Cascade Fast Freight. (Tr. 118.) He believes increased facilities would increase the southbound movement from Portland beyond a point even thought of. (Tr. 122.) He is listed as being ignorant of carriers covering Coos Bay. Actually, the only one he was doubtful of was Consolidated Freight Line.

No. 14 is Arthur Hendershott. He is listed as finding existing carriers adequate. Page 149 is cited. It is interesting to note that the statement was that the service of Pacific Truck Express was satisfactory. That is, the service of that carrier prior to the acquisition by Pacific Motor Trucking Company, when the service changed radically. (Tr. 149.)

No. 15 is C. R. Veal. Veal is listed as stating other carriers are adequate. Transcript 162 to 164 is cited. Actually, he expressed dissatisfaction with the delay by applicant-Consolidated combination, and he expressed dissatisfaction with Pacific
2097 Truck Express because it has not always been available for shipments to him in Albany, for its trucks come through with capacity loads. He has to reship by another route. (Tr. 162 to 164.) He therefore does not find existing service adequate. Furthermore, as already shown, Pacific Truck Express is not now available in the same manner as it was at the time he was testifying. He has been unable to find Pierce Auto Freight Lines in Albany. (Tr. 167.) Furthermore, he does not like to have merchandise transferred. (Tr. 169.)

No. 16 is Carl Bismark. He should have been listed under the item of "Delay at Medford," etc., but was not, though he testified that he had suffered delay because of the interchange. (Tr. 206 to 210.) He is listed as finding the services of other carriers adequate, yet he criticised the service of Pierce Auto Freight Lines in that the truck has been full and shipments have had to lay over. (Tr. 212, 213.)

No. 17 is M. H. Shook. He is listed as not having used available single-line services. This is a misstatement and transcript 275 does not support it. As a matter of fact, he has used Pacific Truck Express and Cascade Fast Freight. (Tr. 280.) Only applicant and Consolidated have proper refrigeration. (Tr. 277.) He is also listed as finding the joint service of Consolidated and applicant satisfactory, whereas he indicated he would like
2098 to speed it up for shipments from Roseburg. (Tr. 281.) He further stated he wants better service. (Tr. 282.)

No. 18 is D. L. Flynn. He has been fairly abstracted on the study. His chief concern was having available another carrier so that there would be sufficient competition to insure continued good service.

No. 19 is Charles A. Brazen. He is listed as finding the service of other carriers adequate, Transcript 302 to 303 being cited. Actually, he was asked if a daily service such as has been conducted by Pacific Truck Express would be satisfactory to Grants Pass. Of course the fallacy is that Pacific Truck Express is not now conducting that service. Furthermore, there is nothing to justify placing him under the column "Ignorant of All or Majority of Existing Services," etc.

No. 20 is Helen Hill. She is listed as being ignorant of the other carriers. Actually she showed that she had a fund of knowledge concerning the existence and facilities of other carriers. True, there was some apparent dispute between certain counsel and herself as to the exact facilities available. But she was aware of their existence and generally of what they provided by way of service. She is listed as not having used available single line service. This is supposed to be in reefrence to Cascade Fast Freight which service she has used, but only on Friday, the day it
2099 had refrigeration, according to her information. Furthermore, other carriers do not provide the type of refrigeration she wants, nor service direct from Vancouver. She is interested in reducing time in transit for shipments from Vancouver of cold pack and canned goods. The study, of course, fails to show that she had a definite story to tell and a need for refrigeration, speed in transit and direct service.

No. 21 is Francis C. Fisher. He wants applicant's proposed service providing following-evening delivery from Sacramento to Portland, which he cannot get from anyone else. His commodities (produce) also need refrigeration. He is listed as having no knowledge of the joint through trailer service. However, he has many less than carload shipments. Furthermore, the present schedule is entirely unsatisfactory. (Tr. 346, 347, 348.)

No. 22 is S. Frink. His testimony is fairly abstracted on the study.

No. 23 is Olin Shook. Shook testified that he needed proper refrigerated service and he did not know of any then in existence, so it is misleading to place him under the column "Services of Other Carriers Adequate."

No. 24 is F. H. Strong. His testimony was stipulated to be the same as Shook, the preceding witness.

No. 25 is G. F. Chambers. He is listed under the "Personal

Preference" column and page 396 is cited as the transcript
2100 reference. There is nothing on that page, or any other page of the transcript relating to the testimony of this witness, to indicate that he would not use a better service than applicant's if it were available. True, he had not tried all the carriers who claimed to have existing service; but he had used Mitchell Brothers and Pacific Truck Express and had found them unsatisfactory. (Tr. 395, 396.) Furthermore, at page 398 he testified: "I possibly would use any one that would give us good service. We are not married to any of the truck lines; we will use any of them that would give the service.". (Tr. 398.)

No. 26 (No. 21 on Coos Bay) is R. S. Semke. Since the testimony of this witness was stipulated to be the same as Jerome Smith, Jerome Smith being No. 60 on the list (No. 20 on Coos Bay), it is necessary to first consider his testimony. He is listed as finding the joint service satisfactory. Actually, he said no such thing. It isn't even mentioned on page 1042 which is cited, and at page 1046 all he stated was that applicant was reliable, subject to the infirmities of interchange and delays. He is also listed as having no knowledge of the joint through trailer service. Actually at 1049 all he stated was that he did not know second-morning delivery at Portland was available over applicant's line. Portland is only one of the many points of destination to which he testified he needed service including Marshfield. Therefore, joint trailer service
2101 would be of little benefit to him. He is also listed as being ignorant of the other carriers. Actually, two years before he had made an investigation to determine what carriers were available, and had found applicant to be the most reliable service. (Tr. 1047, 1048.)

No. 27 is O. C. Howlett. The testimony of this witness again exemplifies the negative quality of the study. His name appears under only two headings: that any time saving is desirable, and that any delay at Medford is objectionable. Of course, this study gives no picture at all of the true value of his testimony. This man's company ships poultry from Portland, McMinnville, Albany, Eugene, and Roseburg, and other points, destined to San Francisco, and a little to Sacramento. (Tr. 513, 514.) Refrigeration is required in the movement of his commodities. (Tr. 515.) Also, it is necessary that the schedule provide for early morning delivery at point of destination, as otherwise a proper price cannot be obtained. Lack of refrigeration spoils the poultry. (Tr. 515, 516.) He has had experience with practically every one of the protestants, and none of them has been satisfactory, due to delays and carelessness in handling the merchandise. (Tr. 517.) These de-

lays have resulted in spoiling the market for him. He has used Mitchell Brothers, Pacific Coast Motor Freight, Pierce Auto Freight Lines, Cascade Fast Freight, Los Angeles-Seattle Motor Express. (Tr. 518.) He has not used applicant's service
2102 because of the interchange at Medford. (Tr. 518, 519.)

This testimony definitely proved a need for the service insofar as this shipper's requirements are concerned, yet the study does not reflect it.

Witness No. 28 is N. D. Myers. The study fails to reflect the quality of his testimony in much the same manner as the preceding witness. He ships frozen fruits which require refrigeration. (Tr. 496, 498.) These originate at Hillsboro, Portland, and Salem, and are destined to San Francisco Bay and Los Angeles. (Tr. 497.) He has investigated to determine what carriers are available but has not been able to find proper service. (Tr. 499, 500, 501.)

Witness No. 29 is Don B. Lewis. The witness is in the public warehouse business and city cartage in Portland, and ships substantial quantities to southern Oregon, some of which is in interstate commerce, and from San Francisco Bay area to Portland. He is listed under the column "Personal Preference." This is entirely misleading. At page 453 he stated that the basis of his preference was on former service and knowledge of the personnel of the company. (Tr. 453.) And at page 461 he stated that the preference was not due to the fact one may comb his hair in a certain way but depended upon reliability and dependability. (Tr. 461.) It was also somewhat misleading to list him under the heading "Have Not Used Available Single Line Services" because, at
2163 least insofar as southern Oregon was concerned, he has used the services of Pierce Auto Freight Lines, Pacific Truck Express and Southern Pacific Company, and some other carriers that he could not recall. (Tr. 447, 448.) These are all direct services without interchange of freight. (Tr. 448.) Of course the study has on it no place for indicating the inadequacy of carriers. However, at page 449 the witness testified that he had had difficulty with claims in connection with shipments to southern Oregon. Also with the delivery of C. O. D. shipments and delays in the collection of them. (Tr. 499.) He, as well as a good many other witnesses also testified as to the need for competition to the points involved. Listing him under the column "Needs Confined to Emergencies or Earlier Deliveries" is also improper by reason of his testimony for needing a service that would give prompt settlement of claims and collections.

No. 30 is John A. Layley. His testimony has been fairly abstracted on the study, however, it should be noted that his igno-

rance of the services of other carriers was largely due to the fact that he was not the traffic manager, that the traffic manager had expected to be present, but was unfortunately away at the time of the hearing. His testimony covered the need for fast delivery of auto parts to Portland from San Francisco Bay points, also to other points covered by the application.

2104 No. 31 is R. B. Coulson. He should have been listed under the "Delay at Medford" and under "Damage From Transfer." As to the joint service of applicant and Consolidated he complained of the lack of speed and lack of care in handling. (Tr. 403.)

No. 32 is Harry Dorman. The testimony of this witness has not been fairly abstracted on the study. He ships pickles from Portland to all California points on U. S. 99 as far as San Francisco. (Tr. 599.) He was not ignorant of the other carriers, though he did frankly confess that he was not familiar with the exact scope of their operations. He did know that Pierce Auto Freight Lines was giving service for only a short time without interchange. (Tr. 607.) He further stated that Pacific Truck Express had not been stabilized (Tr. 610) and, further, that Pacific Truck Express did not have agencies at all points. (Tr. 610.) He definitely did not testify that services of other carriers were adequate, though he is listed under that column. Page 607, which is cited in support, does not reflect any such opinion. What he wants is a fast service with a carrier that maintains agencies at all these points. He knows that Oregon-Nevada-California Fast Freight maintains such agencies. (Tr. 612.) He wants through service and careful handling. (Tr. 611 to 613.) At 605 he particularly complained of breakage and damage to boxes from rehandling. (Tr. 604.) He

2105 further stated that his shipping clerk had investigated existing carriers and had found that it was not feasible to use other carriers in place of applicant's joint service. (Tr. 601.)

No. 33 is H. B. Dickinson. His testimony has been fairly abstracted in the study. It is only necessary to add that he requires fast, through, refrigerated service from Portland to the Bay area; specifically, mechanical refrigeration for dry ice has been a failure. (Tr. 592 to 598.)

Witness No. 34 (No. 9 on Coos Bay) is Richard Toban. His testimony has been fairly abstracted in the study.

Witness No. 35 is C. C. Cady. This witness complained of delays by present carriers serving him, which are Coletti and Consolidated. He has shipments of auto parts which come from San Francisco to Vancouver. The proposed service of applicant with two schedules giving next-day service would be of great value to him in securing auto parts for broken-down equipment and for

stock, for by present carriers it is practically third- or fourth-day delivery. (Tr. 547–550, 553.)

No. 36 is Ray Gallagher. Gallagher is listed under the first column as finding the joint service satisfactory. Actually he testified that it took too long; that Consolidated usually ran into Portland and then backhauled his shipments, which originate at San Francisco, to Salem. This takes an extra day.
2106

He wants the fast proposed service of applicant for construction supplies, etc. He is also listed as being ignorant of the single-line carriers. Actually he stated he did not believe that certain of these carriers had terminal facilities in Salem, and that he had experience with the Los Angeles-Seattle Motor Express, but that it did not go direct to San Francisco. (Tr. 531, 533.)

No. 37 is Ivy M. Lane. Her testimony has been fairly abstracted on the study. She testified for the Life Saver Corporation that the speed-up in service proposed by applicant would make unnecessary a proposed warehouse in Portland.

No. 38 is J. P. Underhill (No. 11 on Coos Bay, No. 3 on Lakeview). He ships to all districts involved. He is listed as having need only for emergency or early delivery. It is true that he so testified, however, the volume of these emergency shipments to points in the Northwest is approximately 25 tons a week, consisting of caterpillar tractor equipment and machinery. (Tr. 1129.) He has found the joint service of applicant and Consolidated the best available from Stockton to all points proposed to be served by applicant which these lines now reach. He favors the granting of applicant's application so as to make the service available to all points proposed to be served. Underhill is unfairly listed on the Portland and Coos Bay studies under the column, "Service of Other Carriers is Adequate." He said no such thing either at page 1138, which is cited, or elsewhere. At page 1138 he stated he had found the Pierce Auto Freight Line unsatisfactory by reason of the time, and Los Angeles-Seattle Express had failed to call since April at the terminal of its pick-up agent for shipments, so that these shipments lay on the platform without any pick-up. (Tr. 1138, 1139.) He did state that applicant's service was satisfactory to points in Nevada. (Tr. 1139.) Furthermore, the Los Angeles-Seattle Motor Express calls at Stockton between 11:00 and 2:00 in the daytime and shipments are not usually ready until between 4:00 and 5:00, so that in any event they would be held over a day. (Tr. 1156.) While applicant does not propose to serve Stockton directly, in conjunction with another carrier from Stockton to Sacramento it will afford an expeditious service affording late p. m. pick-up. (Tr. 1157.) He is also listed in the Portland study as being
2107

ignorant of all or majority of through-line carriers, transcript 1160 to 1161 being cited. Actually, he knew practically every one of them and their inadequacy. At 1160 he testified he had used Pierce Auto Freight, Los Angeles-Seattle Motor Express, applicant, Pacific Motor Trucking, and rail, Colletti south-bound, Cascade Fast Freight, but he had not used Pacific Refrigerated Motor Lines and Pacific Coast Motor Lines. (Tr. 1161.) These, he stated, did not have equipment adequate to handle his
2108 shipments, because they do not care to take the time to back into his plant in Stockton and have the truck loaded with overhead cranes. These shipments are too heavy and too hard to handle for them. (Tr. 1161.) The reason, apparently, Los Angeles-Seattle Motor Express did not pick up his shipments was because their trucks would be loaded in going through Stockton. Naturally a carrier from Los Angeles would not want to leave space vacant all the way to Stockton. This shipper had a very definite need for service, and his testimony was most favorable to applicant. The abstract, naturally, does not reflect this true state of affairs.

No. 39 is J. H. Wilsey (No. 12 on Coos Bay). He is listed as finding the joint service satisfactory. However, he complained about the delay at Medford, which resulted in slow service and in damage to his shipments, which, he stated, was a matter of great inconvenience. (Tr. 1114.) His shipments are of butter from points north of Medford and from the Coos Bay area. He is also listed as being ignorant of through-line carriers. The Pacific Truck Express was particularly mentioned from the Coos Bay area. Of course, that concern does not now render a through service from Marshfield and would be unavailable to this shipper. It did not appear that there was any through-line carrier from Marshfield (outside of Transcontinental Contract Carriers which does not afford daily service, providing refrigera-
2109 tion which is needed by this shipper. (Tr. 1125, 1127.) This shipper definitely shows that existing carriers are inadequate in that they do not provide through service with mechanically refrigerated equipment.

No. 40 is Montague L. Hewitt. His testimony has been fairly abstracted on the study.

No. 41 is E. A. Albrecht. He is listed as having no knowledge of the through trailer service. Actually, to the points to which he ships through trailer service is not available. He merely stated that through trailer service would satisfy his needs. He complained of the interchange by applicant so that he has not used that service for some time, and he also complained of the arrival time by Mitchell Brothers and the other carriers. Applicant's

schedule would suit him admirably for shipments of soap from Portland to points in California, particularly northern California, Weed, etc.

No. 42 is Amos Merkey. His testimony is fairly abstracted. However, while existing facilities of Pacific Truck Express were giving him fairly adequate service, as has heretofore been shown, that service, as a through service, is no longer available. Furthermore, the service proposed by applicant would effect delivery to him in Eugene late in the afternoon rather than the following morning as at present by the carrier he is using. This would be a matter of great convenience to him in lining up his work.

2110 He cannot use applicant because of the delay in Medford, and the same was true of Pierce Auto Freight Lines when he used that line. It interchanged at Medford also. His testimony involved movements from San Francisco Bay to Eugene.

No. 43 is R. G. Ott. His testimony has been fairly abstracted in the study.

No. 44 is Anthony D. Plancich. He is listed as finding the joint service satisfactory, transcript 649 being cited. He stated no such thing. As a matter of fact, particularly with reference to shipments to Sacramento, interchanged at Medford, of oysters originating at Portland, service is unsatisfactory. He wants through refrigerated service. He further complained that damage claims are passed back from one to the other. (Tr. 646.) We fail to see how he can be listed under the column "Has Not Used Through Single-line Services," for page 648, which is cited, refers only to Consolidated service which, of course, involves interchange at least insofar as Sacramento is concerned, as the commodities require refrigeration.

No. 45 is James Shannon Betts (No. 13 on Coos Bay, No. 4 on Lakeview). He ships from San Francisco Bay tractors, springs, and coil springs to practically every point involved including Lakeview and Coos Bay. While he did state the service of applicant was satisfactory, he further stated that it could be

2111 made considerably better by providing single-line service. He particularly complained of Lakeview which is third-day delivery. Existing facilities are not adequate, particularly to Coos Bay or Lakeview. Furthermore, he stated they needed speeding up to points beyond Medford.

No. 46 is Glenn R. Gunderson (No. 5 on Lakeview). The testimony of this witness is fairly abstracted on the study. It is pertinent to note, however, that the representative of the company, for which he appeared, who is most familiar with the transportation problem was unable to be present. He stated, however, that faster service would be of great convenience to his company and

by virtue of the past reliability of applicant that company desired to see a through service made available on that line.

No. 47 is Mary Wunderlich (No. 14 on Coos Bay, No. 6 on Lakeview). The testimony of this witness is fairly abstracted on the studies, except it should be noted that she complained of an experience with the Los Angeles-Seattle Motor Express that on a refused shipment it took six weeks to get it back and two months to get an adjustment on the bill. (Tr. 1132.)

No. 48 is Frank R. Russell (No. 15 on Coos Bay, No. 7 on Lakeview). His testimony is fairly abstracted on the studies. The company this witness represents ships from San Francisco Bay to every point, apparently, involved in the application.
2112 The reliability and dependability of applicant has been such that he prefers it to any other service. However, he would like to have the speed of applicant improved and the service made available to the points it does not now serve directly.

No. 49 is George Edmond Harvey (No. 16 on Coos Bay). His testimony is fairly abstracted on the studies. His main concern was getting faster service to the points proposed to be served applicant. The improvement of one day to Seattle would be a great convenience. Likewise speedier service to the other points would be a considerable help. Applicant's service otherwise has been excellent.

No. 50 is Arthur H. Cordes (No. 17 on Coos Bay). His testimony is fairly abstracted on the studies.

No. 51 is H. W. Gerken. This witness' testimony is not accurately abstracted on the study. He did find applicant's service the best available, but requires faster service, which he would use if it were made available by applicant. He did not state that he had a personal preference which would cause him to use applicant over better services, but stated that his experience with other carriers showed that applicant's was the best service. For instance, such carriers as Pierce Auto Freight Lines use an independent carrier to pick up for them. (Tr. 785.) This has been a source of considerable trouble in the past, for there are two carriers to deal with. He further did not testify that service
2113 of other carriers is adequate. The only service that was anywhere near adequate was applicant, and on 783, which is the page cited, he stated that with respect to one carrier he had found delay, and even had a telegram from Seattle wanting to know where the goods were. Furthermore, of course, with respect to Pacific Truck Express that service is no longer a through-line service. The reason he prefers applicant is by reason of his experience with other carriers. (Tr. 789.) He ships engines,

motors, etc., from San Francisco Bay to almost all points involved north of Medford. (Tr. 774, 775.)

No. 52 is A. S. Ramos (No. 18 on Coos Bay). The testimony of this witness has been fairly abstracted on the studies, except that he did not state that existing carriers are adequate to Coos Bay. His preference for applicant is based on his experience with them and other carriers. (Tr. 797.) For instance, he was unable to obtain the service of Los Angeles-Seattle Motor Express in Oakland. (Tr. 796.)

No. 53 is Dave A. Gregg. This was a very strong witness for applicant, testifying to movements of fruits and vegetables which require refrigeration to points here involved from San Francisco, including Vancouver, Camas, Salem, Grants Pass and Roseburg. He is listed as having such a personal preference for applicant that he would not use better service by some other carrier.

2114 This is entirely erroneous. He was asked on page 823, which is the page cited, whether he would use Pierce Auto Freight Lines if it gave a similar through, refrigerated service, to which he stated that he would have to find out because he did not know Pierce yet, had not worked with him. He was also referring to points which the applicant was applying for, assuming the service would be available, for on the following page he stated that if the application were not granted for some months and Pierce had the service which applicant proposes, he would ship by Pierce. (Tr. 824.) Neither was he ignorant of a majority or all of the through line carriers, though he is listed under that column. He had had a bad experience with Pacific Truck Express and he knew that Pierce had rendered service only once a week up until recently. Other carriers did not have mechanically refrigerated equipment which he required. This witness is a heavy shipper. Ordinarily, movements are in lots of 12,000 pounds or more. Shipments are every day during certain portions of the year. He desired applicant's fast service without interchange because of damage to the fruit and vegetables and delay arising out of interchange. Neither are his needs confined to emergencies or earlier deliveries, but also embrace the need for less handling and proper refrigeration, so he is improperly listed under that item. To say that he has not used available

2115 through line services is somewhat misleading, since he stated that he did not believe any of them were qualified to handle his shipments, other than applicant. He has had claims because of mishandling at the interchange points. (Tr. 807.)

No. 54 is Kenneth A. Robertson. The testimony of this witness is fairly abstracted on the study.

No. 55 is Elmer A. Burger. His testimony has been fairly abstracted on the study.

No. 56 is C. Bud Meredith. Since this was a very strong witness for applicant he only appeared under two headings on the study, once inaccurately, for he is listed as having no knowledge of the through trailer service. Page 872 is cited. Sacramento is one of the points involved in the movement therein described, and there is no through trailer service as to that point. He ships frozen foods from Seattle and Portland to Sacramento. (Tr. 843.) Shipments vary from 3,300 pounds to 12,000 pounds. (Tr. 844.) He has used Colletti, Los Angeles-Seattle Motor Express, Cascade Freight and Mitchell Brothers. None of these services have proved satisfactory, because they cannot put frozen foods in with other merchandise because it requires dry-ice or refrigerated equipment. These carriers transport fish and the frosted foods take the odor; then on smaller shipments they haven't the space for the frosted foods. (Tr. 844.) He has suffered delays by reason of this situation. (Tr. 845.) Fish
2116 is another commodity which is handled out of Seattle, Portland, La Salle, Oregon, Toledo Bay, Newport and other coastal production points of Oregon and Washington, including those on Coos Bay. (Tr. 845.) The smallest shipment is a ton, the largest 10,000 pounds. (Tr. 845, 846.) He is also shipping fish from Sacramento to Astoria for canning. He requires applicant's service for movement of these commodities. (Tr. 847.) The movement of salmon from Sacramento to Astoria is going to involve many tons of fish. The expedited service of applicant will be of great convenience. (Tr. 851.) The interchange at Medford is unsatisfactory because it breaks loose the ice on the fish and damages it, also causes the ice to melt too fast. (Tr. 850ff.)

No. 57 is Clarence Miller. (No. 9 on Lakeview.) He is listed as being ignorant of the other carriers. As a matter of fact he knew of Seattle-Los Angeles Motor Express, which being a Los Angeles concern does not arrive in San Francisco at a suitable time. Pacific Truck Express does not have large enough pick-up trucks, and for Coos Bay and Lakeview points apparently Colletti has no operating rights. (Tr. 1452 to 1459.) His shipments are from San Francisco.

No. 58 is John Ferrero. (No. 19 on Coos Bay, No. 11 on Lakeview.) He is listed as having stated service of other carriers is adequate. This is in error. The pages cited, 1477 to 1478
2117 refer to Pacific Truck Express as then being a through carrier. Actually, as the record shows, it is not now so operating and therefore could not be adequate for this shipper.

No. 59 is T. G. Williams. Protestants gratuitously inserted in their study the testimony of this witness who was a protestant witness, not an applicant witness. This is indicative of the accuracy of the study.

No. 60 has already been considered—see No. 26.

This study omits the testimony of L. W. Bates. (Tr. 256.) He is a wholesale candy jobber in Medford, shipping between Portland, Oregon, and San Francisco, and intermediate points. (Tr. 257.) These are all interstate shipments since they come from the east and Seattle. He also ships from Seattle to Medford. He desires the better service proposed by applicant. (Tr. 259.) He complains of delays and the fact that equipment comes through already loaded. He has used Pierce Auto Freight, Pacific Truck Express and Consolidated. (Tr. 259.) Also Southern Pacific Company. (Tr. 261.)

2. Additional witnesses listed on the Coos Bay extension study

No. 7 on the Coos Bay study is Frank L. Taylor. He has a hardware business in Reedsport and needs service from San
2118 Francisco comparable to that he receives from Portland. San Francisco service involves a great deal of rehandling and is very slow. (Tr. 330–332.) While he did say that loss and damage claims were insignificant in amount, they do make necessary a serious loss of clerical time (Tr. 334); therefore, rehandling itself is not an insignificant point with him. Many jobbers in San Francisco offer better prices than can be obtained from Portland sources of supply. If the service proposed by applicant was made available, he could patronize San Francisco to a greater extent. (Tr. 331–332.) The proposed service would reduce the time in transit at least 50%.

No. 8 on the Coos Bay study is Ellis G. Dunn. He gave much the same testimony as Taylor, being a shipper to Reedsport of dry goods from San Francisco Bay area. Existing service takes 3 or 4 days whereas applicant's service would be 20 hours. Both of these witnesses showed that existing facilities are entirely inadequate, though the study does not reflect such inadequacy for there is no column heading on the exhibit covering that point.

No. 10 on the Coos Bay study is C. C. Farr. He is a hardware and feed dealer in Coquille (Tr. 538), receiving shipments from San Francisco Bay area of those commodities. Deliveries made to the carrier in the afternoon are received two days later. (Tr.
539.) The applicant's proposed following morning service
2119 would be of great assistance in using San Francisco as a source of supply. (Tr. 539.) Here again the existing facilities are inadequate by reason of the very great length of time it

takes to receive shipments at Coquille, yet the study does not indicate this inadequacy.

3. Witness, in addition to those heretofore discussed, who appears on the Lakeview extension study

Witness No. 8 is Harry G. Rowe. He is traffic manager for Thompson-Dix Company at Sacramento, a wholesale hardware concern. (Tr. 878.) Southern Pacific service to Lakeview from Sacramento provides third day delivery; by combination of applicant and Consolidated, second morning. (Tr. 879.) He is listed as stating that joint services of applicant and Consolidated are satisfactory or very good. Actually, he stated no such thing. It is true, he said the two services are "O. K." but in explanation he stated he meant a through service, such as is proposed here, is O. K. (Tr. 880.) He explained that the hardware merchant today buys from hand to mouth and carries no particularly large stock and wants fast delivery, such as applicant offers. Shipments are made practically every day to Lakeview. (Tr. 880.) He showed that the proposed application, if granted, would provide one good truck service against a poor rail service now existing. (Tr. 885.)
2120 This witness's testimony clearly indicates the inadequacy of service to Lakeview.

B. The Examiner Erred in Stating on Sheet 4 of the Report and Recommended Order: "Applicant's President, Having Formed the Opinion That No Action on the Part of the Organization Could Improve the Then Existing Services, Declined the First Invitation To Become a Member of Freightways"

This statement is not entirely accurate, nor does it give a complete picture of the situation. Freightways, an organization of carriers, is controlled by Consolidated's president. It is with this latter firm that applicant interchanges at Medford. The president of Consolidated prefers small truck and trailer equipment, which cannot be economically operated by applicant in California. It is applicant's intention to change large trailers into semi-trailers at the Oregon border where the weight law requires a lesser gross weight than the California law. By reason of this difference in equipment, vehicles have not been readily interchanged. In discussions with Consolidated it has been impossible to arrive at a satisfactory solution. (Tr. 1223–1224.) The applicant's president did not say that no improvement of existing services could be had, but merely indicated that the management of Consolidated and applicant did not agree on equipment and other factors, and it has been impossible to effect improvements; and that regardless
2121 of this fact, one company could give better service than two carriers. (Tr. 1295.) This picture is made clear by the

testimony which applicant's president gave when asked concerning a letter of Mr. James, Consolidated's president, inviting him into Freightways. The following sentence was contained in that letter. "We would work out ways of easily interchanging equipment as between companies. There is no great difficulty involved here." (Tr. 1299.) Applicant's president stated he did not agree with that statement because his methods of operation are different from the Consolidated's. (Tr. 1300.) Furthermore, applicant's president indicated that if he joined Freightways, all problems would be solved to the best interests of Mr. James. (Tr. 1307.) Even Mr. Farrens, one of the counsel for protestants, stated he did not blame applicant's president for not agreeing with Mr. James in all particulars, "particularly in joining Freightways." (Tr. 1330.) Applicant's president further felt that the situation of Consolidated not soliciting south-bound business, which would unbalance their traffic, would not be corrected by Freightways. (Tr. 1315-16.)

2122 C. The Examiner Erred in Stating at Sheet 6 of the Report and Recommended Order: "It (Applicant) Operates About Three Trucks Daily Between San Francisco Bay Points and to Medford and Klamath Falls, and One Truck Daily Between Sacramento and Medford"

This does not do full justice to the volume actually transported by applicant. The statement of applicant's president was: "We operate one truck between Sacramento and Medford, and at least three trucks daily between San Francisco and Medford and Klamath Falls, and as high as six trucks, depending upon the volume of traffic." (Tr. 22.)

Exhibit No. 7 shows specifically for the dates thereon designated the volume of traffic originated by applicant at San Francisco Bay points for interchange at Medford and Klamath Falls. The daily average is 73,056 pounds; the weekly average 438,336 pounds. These figures were for the period shown in 1939.

Exhibit No. 9 shows that tonnage originated by applicant at San Francisco Bay points for interchange at Medford and Klamath Falls for the first six months of 1940 produced a daily average of 85,100 pounds.

D. The Examiner Erred in Stating at Sheet 12 of the Report and Recommended Order: "Applicant's President Stated That if Consolidated Would Adopt a Type of Equipment Which Applicant Uses There Would be no Difficulty"

We have already reviewed a portion of the history of the
2123 interchange arrangements between Consolidated and applicant. It is apparent from the record that in the first place,

the change in equipment is impossible under present conditions in that Consolidated has no intention of adapting its style of equipment to applicant's desires. Secondly, that even if suitable equipment were adopted by Consolidated, it would not cure all of the existing deficiencies of existing service to such an extent as to satisfy public convenience and necessity as proved on this record. Thus, the testimony of applicant's president has shown difficulties with C. O. D. collections, interline settlements, loss and damage claims, and all of those difficulties which arise in interchange arrangements, with such a large volume of traffic. Furthermore, as to Lakeview, there is no service under existing authority which applicant or Consolidated together could perform which would remedy the existing lack of adequate service. Also, trying to satisfy Consolidated's desires to have equipment loaded for certain points on certain pieces of equipment, delays applicant's operations. (Tr. 1226.)

The point is that the Examiner has followed the protestants' habit of assuming that joint management is really the same as one through-operation *controlled by one management*. If we could assume those facts, of course the line could be operated as a through-line and there would be no question of delay by in-
2124 terchange or types of equipment operated. (See Tr. 1293–1297, for example, where counsel for applicant stipulated that applicant would provide the kind of service he proposes if he had the kind of control the protestants were assuming in asking if the present situation could not be corrected.) We must face facts, and not by wishful thinking ignore the true situation. Actually the applicant's testimony shows that efforts had been made to perform an expeditious service to the northwest under the interchange arrangements. The facts are that, in spite of such efforts, neither a service that is as expeditious, or as complete as would be possible as a result of the proposed extension, has been accomplished. The shipping public is entitled to the best service possible. The operations at the time of the hearing were as good as they could be made, but still, as amply demonstrated by the testimony, not good enough. The suggestions of protestants that service can be improved by interchange so as to be completely satisfactory, are nothing more nor less than an effort on their part to hamstring the applicant by confining him to interchange operations while they are free to perform a through operation.

The same can be said of the Examiner's statements on sheets 18 and 19 with respect to statements of connecting carriers who desire applicant's service because the schedules would be greatly

improved. These carriers were asked if Pierce Auto
2125 Freight Lines would arrange suitable schedules such as applicant proposes, would that meet their needs. There is no doubt that such an act on the part of Pierce Auto Freight Lines would partially solve their difficulties, but the question assumes that Pierce can and will do so. We can go so far as to say that Pierce has not done so. It may be impractical or impossible for him to do all of these things which his counsel in questioning the witness confidently assumes will be done. Offered improvements of service which come after the filing of an application and the threat of competition are entitled to little weight; particularly when they are so nebulous as they here appear to be.

II

THE EXAMINER ERRED IN MAKING CERTAIN CONCLUSIONS WHICH ARE UNSUPPORTED BY THE EVIDENCE

A. The Examiner Erred in Stating at Sheet 12 of the Report and Recommended Order: "The Merit of the Application Depends Upon an Applicant's Ability to Get Traffic Originating in Oregon for Southbound Movement Which is not Now Moving"

We contend the merit of the application depends upon public convenience and necessity.

Apparently what the Examiner meant was that applicant could not operate profitably without originating new southbound traffic. This requires some explanation. The records
2126 show that Consolidated has not been soliciting southbound traffic since it has a volume of intrastate business from Portland to southern Oregon points which makes it impossible for it to transport additional traffic in interstate commerce southbound without unbalancing the northbound movements. (Tr. 1239.) As a result, applicant's traffic is predominately northbound and only 20% southbound. (Tr. 1237-1239.) In spite of this fact, applicant has operated profitably. Applicant's president is certain that he would have an increase of business by operating straight through and could better balance his operations; he would obtain refrigerated traffic southbound in addition to that now being transported by Consolidated. (Tr. 1242.)

The report concedes that there is no question about applicant's fitness and ability, financial and otherwise, and such fitness and ability would be improved and strengthened by granting of the application.

B, C, D, and E. Existing Carriers Have not Been Serving the Shipping Public in an Efficient Manner nor do They Rearrange Their Schedules and Operations in General to Meet Changing Conditions; and Thus the Public is Suffering Serious Consequences

The Examiner states on Sheet 32 that existing carriers, except on rare occasions, have been able to serve the needs of the shipping public in an efficient manner and that they are able
2127 and willing to provide additional suitable equipment when needed. Further, that the evidence indicates that it is the policy of existing carriers to rearrange their schedules and their operations in general to meet changing conditions in the transportation industry when brought to their attention. He further says that while the proposed fast service would be beneficial to shippers, they have suffered little damage. In addition, the Examiner contends that existing carriers should be accorded the right to transport all traffic they can adequately, efficiently, and economically handle.

We contend that if the above statements as to existing carriers were true applicant would not now be transporting the bulk of the traffic from and to San Francisco which is destined to or originates at points involved in this application. We do not propose to restate all of the evidence which we have summarized in connection with our criticism of the Examiner's statements concerning the public witnesses. We do contend that the reading of testimony of these witnesses, as abstracted, conclusively proves that the statements of the Examiner above mentioned are inaccurate. Statements of the witnesses are replete with instances where exising schedules are unsatisfactory, where time in transit is unduly prolonged, where equipment comes through, particularly at intermediate points, already loaded, and thus is unavailable for further cargo, and where for other reasons existing facilities are inadequate.

2128 Certainly, existing rail and truck schedules to Lakeview have been amply demonstrated to be so slow as to practically eliminate Sacramento and San Francisco from competing with Portland in selling to merchants in this area. The proposed service would speed deliveries by one and two days for there is no direct service between San Francisco and Lakeview at the present time; nor apparently is there any direct through common carrier service between San Francisco and the Coos Bay area. All in all, the testimony indicates that applicant will decrease the time in transit anywhere from twelve hours to three

days, depending upon the point of destination. (See applicant's brief, pages 22-27.)

One service which the existing carriers have failed to provide to the extent and in the manner required by public convenience and necessity is refrigerated equipment for transportation of commodities requiring this type of service, particularly mechanical refrigeration. This represents a changed condition in the transportation industry which has been brought to their attention, unless they have all been asleep, and the Examiner is clearly in error in his broad generalization that existing carriers have met changed demands. We have indicated above the testimony of certain of the witnesses on this subject and refer respectfully to pages 30 to 32 of applicant's brief. Applicant is offering
2129 mechanical refrigeration for the transportation of any and all commodities which require such service.

Another particular wherein existing carriers have failed to change their operations to meet demands is with respect to concurrences and joint rates and adequate schedules. None of the carriers apparently has properly acted in connection with affording connecting carriers outlets over their lines. On pages 32 and 33 of applicant's brief we have abstracted the testimony of four connecting carriers who require joint rates and concurrences, and on pages 35 and 37 is developed the need of the water lines serving the port of The Dalles, port of Columbia and Snake River for concurrences and joint rates with applicant.

Still another type of service which has been completely neglected by protesting carriers is with respect to interchange of equipment with connecting carriers, such as applicant offers. This would obviate the necessity of interchange of cargo for destinations served by connecting carriers, which would be of great benefit to the shippers. Further, applicant proposes to serve Camas, Washougal, and Vancouver directly.

The Examiner contends that existing carriers furnish suitable and additional equipment when needed. We have already seen that the equipment is not suitable and that it does not provide proper refrigeration. Further than that, the record
2130 clearly indicates, by reason of such factors as carriers passing through with trucks already loaded, unsatisfactory time schedules, infrequent service, etc., that there are not enough schedules or equipment being operated to take care of the demand for service. As we have shown, applicant originates the bulk of the traffic in San Francisco Bay area, yet in some instances through-line carriers can give faster service if they desire to do so, but the facts in this record indicate that they have not been interested in that traffic and have done nothing to increase the facilities available to the public. (See applicant's brief, pages 37-39.)

In still another particular, existing facilities have failed to provide adequate service, and that is with respect to agencies and pick-up-and-delivery facilities. We have quite fully covered this subject in applicant's brief at pages 40 to 42, which clearly indicates that at only a few points are terminals and pick-up-and-delivery equipment maintained by protestant carriers, and in many cases these terminals are agencies consisting of independent local draymen.

The fact that existing carriers have not accorded the public that service which this record clearly indicates is required, answers in itself the contention of the Examiner, stated on Sheet 32, that by reason of their established operations protestants should
2131 be accorded the right to transport all traffic which they can handle adequately, efficiently and economically in the territory served by them. This record demonstrates that they do not handle adequately and efficiently the traffic of the public witnesses presented by applicant, over sixty of whom have testified to their need for the proposed service of applicant.

Applicant now originates the greater portion of the traffic moving in the territory covered by this application, which indicates that even with its deficiencies it has offered the only dependable service which substantial portions of the public can utilize.

We have already shown that applicant is originating in excess of 85,000 pounds daily from the San Francisco Bay area alone, to points beyond Medford and Klamath Falls. How much traffic are the other carriers, protestants herein, originating from these points? Pierce Auto Freight Lines originates only 7 or 8 tons northbound from San Francisco a day, sometimes as much as 9 tons. (Tr. 2094.) At most, four to five per cent of its traffic is California traffic. (Tr. 2352–2353.) Los Angeles-Seattle Motor Express derives only 18% of its revenue from shipments involving San Francisco Bay on the one hand, and Oregon and Washington on the other. (Tr. 2003.) In August 1940, the gross revenue of that carrier between San Francisco and Portland was only approximately $925.00; between San Francisco
2132 and Eugene $30.00; between Oakland and Portland a little over $104.00; to Salem $30.89. Since the acquisition of Pacific Truck Express by Pacific Motor Trucking Company, no direct through-line service is rendered by that carrier. Colletti Fast Freight does not serve San Francisco directly except for shipments of 5,000 pounds or more. San Francisco traffic represents less than 5% of the gross of the Company. (Tr. 1840–1864.) Colletti Fast Freight transported 758,508 pounds out of the Bay Area and into the Bay Area from July 1, 1939, to July 1, 1940. This is an average of a little over 60,000 pounds a month compared

to applicant's over 85,000 pounds a day in one direction out of San Francisco Bay area. It is therefore evident that shippers in the San Francisco Bay area are dependent upon this applicant, to a large degree, for their truck shipments to the northwest. The conclusion must be that they have found applicant more reliable and more dependable than the other motor carriers. Applicant proposes to make improvements in its service; the shipping public by its testimony demonstrates its demand for such improvement.

F. The Examiner Erred in Stating: "With Respect to the Interchange at Medford, the Evidence Indicates That the Difficulties Therewith Could be Largely, if not Entirely Eliminated by Close Cooperation Between Applicant and Consolidated"

The Examiner suggests that closer cooperation between
2133 applicant and Consolidated would relieve the difficulties with the interchange at Medford. It is easy to say that the situation can be easily corrected. The fact is that the very protestants who so say, by their actions, have proved otherwise. Pacific Truck Express found interchange was not satisfactory to the public, applied for an extension and obtained it. Pacific Truck Express—Extension of Operations, Oregon, California, 22 M. C. C. 671. Pierce Auto Freight Lines, Inc. did likewise. Pierce Auto Freight Lines, Inc.—Extension of Operations, MC–17593 (Sub. No. 1), Decided October 6, 1941. Los Angeles-Seattle Express, Inc. did likewise. Los Angeles-Seattle Motor Express, Inc.—Extension of Operations, MC–68618 (Sub. 1), Decided June 14, 1941. None of these carriers handled a tithe of the volume handled by this applicant. Problems of arranging schedules, of types of equipment, of interchange of equipment, of loss and damage claims, of C. O. D.'s, of billing, of providing proper refrigeration are such as are not readily soluble under circumstances involving the large volume of freight which Oregon-Nevada-California Fast Freight, Inc. originates in the San Francisco area.

2134 III

THE EXAMINER ERRED IN FAILING TO FIND THAT PRESENT AND FUTURE PUBLIC CONVENIENCE AND NECESSITY REQUIRE THE PROPOSED SERVICE

This record indicates that applicant is now originating by far the greater portion of the traffic moving to points north of Medford, including Lakeview and Coos Bay territories. The other existing motor carriers transport an insubstantial portion of this traffic. Applicant is the pioneer in truck transportation on the Pacific Coast between Oregon and California points. The appli-

cant's predecessor, J. A. Gritsch, now the president and principal stockholder of applicant, commenced operations between San Francisco Bay points and Medford and Klamath Falls in 1929. (Tr. 35.) These operations have been continuous and daily since that time. (Tr. 37.) That this service has provided an essential transportation facility to the public is amply demonstrated by the testimony of those witnesses who have used it. Now this applicant proposes to better existing service to conform to the needs of those now patronizing its operations, as well as others, by extending its operations as herein proposed. Yet, existing carriers who are relatively newcomers to the field, who have been, in the main, transporters of special commodities such as fish, fruits and vegetables, and who have largely neglected the territory, San Francisco Bay area particularly, and who account for but
2135 a small portion of the traffic moving between the points here involved, come forward and have apparently convinced the Examiner that they are entitled to maintain a monopoly by preventing this carrier from instituting the proposed service, while at the same time they fail and refuse to render that service themselves. This situation is analogous to the tail wagging the dog, for here the carrier with the largest volume of traffic, the necessary agencies at intermediate points, the largest amount of equipment, and a service needed by the public, is refused a certificate while existing carriers have been given broad operating rights. The Examiner, himself, points out some of the factors which indicate the need for the proposed service. Thus, he stated that shippers at intermediate points expressed dissatisfaction with services of other carriers because of the practice of obtaining full loads at terminal points and passing up their freight on account of insufficient space. On Sheet 15 he further states: "The evidence seems to indicate that the need for more refrigerated services than the type available by other carriers is the cause of more complaints than the kind of refrigeration used." Applicant has proposed not only refrigerated service, but of the very best kind.

The Examiner further states: "There is no available service over the proposed route between Lakeview and California points." (Sheet 17.) He calls attention to the fact that present service is third day delivery at Lakeview, whereas applicant
2136 proposes 14 to 16 hour service. The consideration of these factors pertaining to Lakeview, and then the recommendation that the application be denied is incomprehensible, and is illustrative of the type of consideration given to the application in its entirety and to the facts as developed.

We have already discussed the many factors to which the shipper witnesses testified, indicating their definite need for the proposed service.

We have also indicated wherein existing services have failed to give adequate service to the public.

The report erroneously uses protestants' studies of the shipper witness testimony as a guide in determining this matter. We have pointed out wherein those studies are inaccurate, misleading, and in many particulars give false impressions of the testimony of the witnesses. These errors have been carried over into the Examiner's report as we have shown by setting forth the true facts.

IV

THE PROCEEDING SHOULD BE REOPENED AND SET FOR FURTHER HEARING AND THE TAKING OF ADDITIONAL EVIDENCE

The instant record was closed on October 31, 1940. Over a year has passed since that time. Many changes have occurred in the volume and flow of traffic. Many changes have occurred
2137 in operating conditions. Many changes have occurred in the physical operations of the applicant having a direct bearing upon the instant application. It is respectfully urged that a full and proper consideration of the application requires bringing these facts and factors into the record. Upon a further hearing applicant will offer testimony respecting the following subject matters:

1. Large increase in volume of traffic.
2. Changes in flow of traffic.
3. Changes in applicant's operations, affecting:
   (a) Extension to Portland.
   (b) Extension to Coos Bay.
   (c) Extension to Lakeview.
4. Changes in applicant's operations affecting concurring carriers.

The testimony in the record pertaining to the volume and flow of traffic is now ancient and outmoded and does not reflect present conditions. Substantial changes have taken place since the close of the record in the physical operations conducted by applicant pursuant to the authority of the Railroad Commission of the State of California and of the Public Utilities Commissioner of Oregon, which have a material bearing upon the instant application. Substantial changes have taken place since the close of the instant record in applicant's arrangements with connecting
2138 carriers which have a material bearing upon the instant application. The evidence which applicant proposes to offer upon a further hearing pertains to factors which have arisen since the close of the instant record. It constitutes new evidence which applicant could not possibly have offered while the instant

record was being made. It is not proposed to offer any cumulative evidence. The foregoing factors arising since the close of the instant record are necessary and vital to a full and complete consideration and disposition of this application. In view of the extreme importance of this application to the applicant and to the shipping public, it is respectfully urged that the Commission should be in full possession of all of the facts in making its decision. It can be in full possession of all of the facts only by reopening this proceeding and taking further testimony. Two or three days should suffice for the purpose.

Dated San Francisco, California, November 28, 1941.

OREGON-NEVADA-CALIFORNIA
FAST FREIGHT, INC.,
By EDWARD M. BEROL.

WILLIAM B. ADAMS,
EDWARD M. BEROL,
MARVIN HANDLER,
Attorneys for Applicant.

2139 CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing exceptions upon all parties of record herein by mailing a copy thereof properly addressed to each such party.

Dated San Francisco, California, November 28, 1941.

EDWARD M. BEROL,
Attorney for Applicant.

2140 *Plaintiffs' Exhibit 6*

Before the Interstate Commerce Commission

No. MC–42487 Sub. Nos. 15, 18, 19, and 20

In the Matter of the Application of Consolidated Freightways, Inc., for a Certificate of Public Convenience and Necessity authorizing extensions of operations (over various specified routes, including particularly between San Francisco and Medford, San Francisco and Klamath Falls, San Francisco and Marshfield, and Redding, California and Lakeview, Oregon)

No. MC–93115 Sub. No. 1

In the Matter of the Application, as amended, of Oregon-Nevada-California Fast Freight, Inc., for a Certificate of Public Convenience and Necessity authorizing extension of operations (over

various specified routes, including particularly between Medford and Portland, Vancouver and Camas, between Klamath Falls and Portland, Vancouver and Camas, and between Medford and Marshfield)

PETITION FOR RECONSIDERATION, FURTHER HEARING AND POSTPONEMENT OF ISSUANCE OF CERTIFICATE, AND BRIEF IN SUPPORT THEREOF

2143 Come now protestants Los Angeles-Seattle Motor Express, Pierce Auto Freight Lines, Inc., Pacific Truck Express, Colletti Fast Freight, System Freight Service (successor to Cascade, Inc.) and Pacific Southwest Railroad Association and respectfully petition the Commission to reconsider the report and order made and entered herein by Division 5 of the Commission, dated March 1, 1943, to grant a rehearing for the
2144 purpose of hearing new evidence showing the substantial change in transportation conditions since the closing of this record on October 29, 1940, including conditions resulting from the present war emergency, to hold in abeyance the certificate granted in said order pending the conclusion of said further hearing; or, in the alternative and upon the present record, to reconsider and reverse the report and order of Division 5 herein and deny the several applications in their entirety, and in support thereof respectfully show:

1. The report and order of Division 5 is utterly inconsistent with and indeed in direct conflict with the conclusions and orders of Division 4 in two proceedings heard and decided since the conclusion of the hearings herein in finance applications by these applicants relating to the identical operations authorized herein. In Consolidated Freightways, Inc.—Purchase—C. G. Reymers, MC F-1317 (36 MCC 623) (embracing also Consolidated Freightways, Inc.—Lease—O. J. Mitchell, MC F-1358) Division 4 held that questions of public convenience and necessity not distinguishable from those in these proceedings were involved, that the evidence would not support a finding that the traffic available can support all existing operators and an additional one, and denied the application. Similar action was taken on like applications of O-N-C Fast Freight in Dockets MC F-1411 and MC F-1412 (38 MCC 51). Obviously the belated conclusions of Division 5 cannot stand in the
2145 light of the earlier determination of the identical issue by Division 4 on a later record. Indeed the Commission itself, as late as October 5, 1942, gave approval to the findings of Division 4 in MC F-1358 by its denial of a petition for reopening and further hearing.

2. The report and order of Division 5 is utterly inconsistent and in direct conflict with the conclusion and order of Division 5 itself in another proceeding involving, among others, the identical routes and service herein approved, on a record concluded on January 31, 1942, or one year and three months later than that in these cases. By its decision of September 26, 1942, in Oregon Express—Extension—Alternate Routes, MC-18231 (Sub. 4) the Commission, by Division 5, found that the routes between Portland and California points via both Medford and Klamath Falls were "already adequately served," that public convenience and necessity had not been established, and denied the application. It is beyond the power of the Commission, on a much older record, to now find that public convenience and necessity does exist for two new identical operations.

3. New motor vehicle common carrier operations such as are authorized by the order and which duplicate adequate existing operations are forbidden by orders of the Office of Defense Transportation. Even duplications of service which have been in lawful existence for many years are being eliminated or greatly curtailed. Meetings are now being called on the Pacific Coast
2146 for the purpose of arranging a pooling of traffic and service among carriers now operating and for eliminating all duplications of service not required by dire necessity. Therefore, applicants are, and for the duration of the present emergency will be, unable to perform the service authorized. Certainly the Commission may not, at such a time, authorize two through services by each of two applicants or four new and additional through operations between Portland and San Francisco.

4. The report and order of Division 5 is founded almost in its entirety upon a promised high-speed or so-called "hot-shot" service to be afforded by maintaining highway speeds greater than is deemed safe or practical by experienced operators now serving the territory, even during normal times when conservation of tires and equipment is not so vital to the national welfare. Since orders of the Office of Defense Transportation prohibit speeds in excess of 35 miles per hour, and the promised service would require consistent highway speeds averaging 52½ miles per hour outside of cities and other restricted areas, it is certain the service proposed and authorized cannot and will not be given, nor can any service faster than that of existing operators be rendered.

5. Division 5 has erroneously and improperly considered, in each proceeding embraced in its report and order, evidence not introduced in said proceeding and not properly a part of the record therein. It is strikingly evident from an examination of

2147 the report that the records in the two separate proceedings were treated as a unit and all evidence therein considered in each case.

6. Division 5 has erroneously and improperly assumed that in granting one of the applications it is by force of necessity required to grant the other, regardless of the showing made on the individual record in each case, and regardless of how much or how little additional service, if any, may be required by public convenience and necessity.

7. The report and order is premised upon the assumption that the proposed "hot-shot" service is prevented by the inability of the two applicants to agree upon satisfactory arrangements for interchange of freight or equipment and that such inability to agree establishes public convenience and necessity. Alleged inefficiencies and defects in the joint-line service of the applicants, most of which are within the power of applicants to correct—indeed which they have already corrected through arrangements with more friendly connections—or no sound basis for the extensive grant of operating authority embraced in the order.

8. The report and order contain no finding that existing carriers are not adequately equipped, able and willing to serve the needs of all the shippers within the territory involved in an efficient manner, or that they are unable or unwilling to provide additional equipment when needed, nor could such a finding be made
2148 on these records. Without such a finding the order cannot stand. Such a finding, if made, would furnish no support for this order because of a contrary finding on a later record.

9. The report and order contain no finding that the granting of these applications will not result in the impairment of the ability of existing carriers to continue to serve the public, nor could such a finding be made on these records. Without such a finding the order cannot stand. On this point a contrary finding has likewise been made on a later record.

10. The report and order erroneously relieve the applicants of their burden of proof as to their ability to render the service as proposed by expressly extending the "benefit of the doubt" to said applicants on all controversial issues relating thereto.

11. The report and order of Division 5, Commissioner Rogers dissenting, is predicated upon a record which was closed two years and four months prior to the date of the report and order, which record, in the light of the rapidity of change in the transportation field in wartime, fails completely to reflect present conditions. All controlling statements of fact relied upon by the division to sustain its conclusions were as of the date of the report and are now entirely and completely untrue, as our argument hereinafter will

more fully disclose, all of which protestants offer to prove. Service of existing carriers has been expanded and improved. Time, necessity and managerial ingenuity have long ago provided
2149 solutions to the alleged operating difficulties of the two applicants, and each has for more than two years provided through other connections, regular through service between Portland and San Francisco without transfer of lading, despite their contention on this record that it could not be done. Applicants have, since the close of the hearing herein, provided through connecting carriers all of the service which they have contended could not be given without the certificates herein granted.

Respectfully submitted.

HENRY T. IVERS,
1405 Hoge Bldg., Seattle, Washington,
ALFRED A. HAMPSON,
PAUL P. FARRENS,
800 Pacific Bldg., Portland, Oregon,
ARTHUR H. GLANZ,
111 West 7th St., Los Angeles, California,
HULEN C. CALLOWAY,
215 West 7th St., Los Angeles, California,
WM. P. ELLIS,
917 Public Service Bldg., Portland, Oregon,
Attorneys for Protestants.

PORTLAND, OREGON, *April 6, 1943.*

2150 BRIEF IN SUPPORT OF PETITION

1. THE DECISION IS IN CONFLICT WITH THE DETERMINATION OF THE IDENTICAL ISSUES BY DIVISION 4

As we have pointed out in our petition for reconsideration, the issues decided by Division 5 herein have, on a later record, been decided quite differently by Division 4. It is perhaps unusual for the Commission to be confronted with two proceedings simultaneously, brought by a single applicant and involving the identical issues. Here, however, each of the two applicants, as the hearings in their respective convenience and necessity proceedings approached a conclusion, apparently became doubtful that their applications would be granted. Each, therefore, started negotiations to lease or purchase operating rights of existing carriers . . . the principal routes applied for in the B. M. C.-8 cases, executed contracts of purchase and sought Commission approval. As is customary, these finance proceedings proceeded with more expedition than the convenience and necessity proceedings. The two

Consolidated finance cases, bearing Dockets MC F-1317 and MC F-1358 were decided April 23, 1941. They were decided, not on issues customarily controlling in such cases, but solely on the issue of public convenience and necessity, on which issue they were denied.

2151 That decision is not merely significant here but controlling because approved by the entire Commission on October 5, 1942, in denying a petition for reconsideration. The decision of Division 4, thus approved by the Commission in general session, contains the following language:

"That instant transaction, as well as applicant's pending extension applications referred to herein, represent an effort on its part to extend its operations southward over routes generally paralleling those of Fast Freight (a protestant). The result would be that applicant would carry to destination traffic formerly delivered to Fast Freight (under previous interchange agreement) (so far as such traffic could be handled under Mitchell's rights), and, applicant would obtain at San Francisco and certain intermediate points a considerable portion of the northbound traffic now moving by Fast Freight and other carriers. *The transaction involves more than mere substitution of one operator for another. It also involves questions of public convenience and necessity, not distinguishable from those involved, and primarily for consideration, in applicant's pending section 207 applications (extension applications).* Considering applicant's resources and stated plans with respect to expansion of operations, it is apparent that consummation of the transportation would cause Fast Freight and other carriers operating between San Francisco and Medford and Portland to lose a substantial portion of the traffic they are now hauling. *The evidence here will not support a finding that the traffic available in the territory considered can support profitable operations both by existing carriers and an additional operator such as applicant. The loss of traffic by existing carriers would be likely to impair their ability to render an adequate service over their routes.*" [Italics supplied.]

2152 A similar conclusion was reached by Division 4 in passing upon the simultaneous applications of Oregon-Nevada-California Fast Freight, Inc., Dockets MC F-1411 and MC F-1412. In denying those applications Division 4 had this to say:

"It is evident that the instant application is but another phase of the previously mentioned competitive struggle engaged in between Fast Freight and Consolidated, and between these carriers and other motor carriers operating between San Francisco and Pacific Northwest points. * * * The instant transaction, as well as Fast Freight's pending extension application, represents an effort on its part to extend its operations northward over routes

generally paralleling those of Consolidated. The result would be that Fast Freight would transport to destination traffic formerly delivered to Consolidated, so far as such traffic could be handled under rights of Oregon Express, and Fast Freight would obtain at Portland and certain intermediate points a considerable portion of south-bound freight now moving via Consolidated and other carriers. *This transaction involves questions of public convenience and necessity not distinguishable from those involved and primarily for consideration in Fast Freight's pending section 207 application.*"

Thus, as to the proposed operations of each applicant, there has been an adverse determination of the question of public convenience and necessity which Division 5 must not be permitted to nullify. It is interesting to observe that the Division 4 decision, entered April 23, 1941, was concurred in by all three members, one of whom is now a member of Division 5 and who joined in the majority report of that division:

2153 We do not challenge the right of the Commission or any division thereof, under appropriate circumstances, to change its decision. What we do challenge is the power of the Commission or any division thereof to base that changed decision upon a record older than the one upon which the original determination is based.

We urge that upon this ground alone the decision of Division 5 herein must be set aside.

2. THE DECISION IS IN CONFLICT WITH ANOTHER DETERMINATION OF THE IDENTICAL ISSUES BY DIVISION 5

Not only does the present report and order of Division 5 overrule a previous determination of the identical issues by Division 4; it also is directly in conflict with its own determination of the identical issues, and on a record made more than a year later than the close of the record in these cases.

Following the denial of the finance applications hereinbefore described, and while awaiting a determination of these public convenience and necessity cases, Fast Freight, through its control of Oregon Express, made yet another formal effort to gain its desired direct through route between Portland and San Francisco via the Medford and Klamath Falls gateways. This took the form of a convenience and necessity application, ostensibly for alternate routes in lieu of the less practical route which left U. S. Highway 99 at Grants Pass and proceeded thence southerly via the coast route over Highway 101, and bears Docket No.

2154 MC–18231 (sub 4).

This application of Oregon Express was opposed by sub-

stantially all carriers operating over the route, who made an exhaustive showing of their equipment and facilities and their ability to adequately serve the public needs. It was clearly shown that what was proposed was a new service duplicating the existing and adequate service already afforded by protestants. On this later record, concluded on January 31, 1942, the Commission, by Division 5, all members concurring, found that existing carriers are in a position to handle additional traffic and able to add more equipment if the traffic requires it. It was also found there was no evidence that the practice then and now followed by the applicant and Fast Freight by which the equipment of Fast Freight was and is moved through to Portland under lease to Oregon Express, has not satisfactorily met the public need. Public convenience and necessity for the proposed operation was held not to have been established.

Thus the Commission has on this much later record not only denied the existence of public convenience and necessity for the identical service which it has in this proceeding authorized, but it has affirmatively approved the adequacy of the service then and now afforded through interchange of equipment and otherwise, and has found that existing carriers are competent and able to properly handle all traffic. Its conflicting and contrary
2155 determination of the identical issues, on a record more than a year older, obviously may not be permitted to stand.

It may well be observed also that on a record concluded much later than that in the Oregon Express proceeding above referred to, Joint Board No. 5 has, by its report in System Freight Service Common Carrier Application MC–69584, dated November 3, 1942, recommended a finding that public convenience and necessity does not exist for the continuance of the present operations of System, Inc., successor to Cascade Fast Freight.

We are not unmindful of the fact that the Commission has manifold duties to perform, that if these duties are to be performed at all there must be a division of responsibility and likewise much reliance upon subordinates, even for the final review of the record and the preparation of reports in contested cases. Without intending to be critical of the Commission or any of its members, but for the sole purpose of providing a clear picture of the inconsistent and erroneous results which can come from such a situation, it is perhaps appropriate to present the following rather startling summary of how the Commission and its members have voted on the issue of whether public convenience and necessity requires additional through freight line service between Portland, Oregon, and San Francisco, California, via the routes involved

herein, since the close of the record herein and embracing identical service.

2156 In three separate reports, dated April 23, 1941, January 28, 1942, and September 26, 1942, respectively, two of which were by Division 4 and one by Division 5, all unanimously approved by all members of the division, which reports embrace five dockets, the Commission found that public convenience and necessity did not exist. In one of the dockets the Commission in general session on October 5, 1942, denied reconsideration. Two members of Division 5 who previously voted "No" on a later case now vote "Yes" in the case at bar, these being the only inconsistent votes cast on the issue.

By reason of the reorganization of the membership of the divisions of the Commission, only five commissioners have passed upon the issue since the close of this record, each of whom has voted "No" one or more times. Of the twelve votes cast on the issue ten have been "No" votes. One of the commisisoners voting "Yes" in the pending case has a record of three "No" votes, all on later records; the other has a record of one "No" vote on a later record. All "No" votes except that of Commissioner Rogers herein were on later records. It would be ironical indeed should these two inconsistent "Yes" votes be permitted to overrule the uniform and consistent decision represented by the ten votes of "No." We submit that no court could approve such a result.

2157 3. THE ORDER AUTHORIZES OPERATIONS FORBIDDEN BY THE OFFICE OF DEFENSE TRANSPORTATION

It seems hardly necessary to remind the Commission that as a part of the war program to conserve manpower and critical materials, the government, through the Office of Defense Transportation, War Production Board, Office of Price Administration, and various other agencies, is rationing all automotive equipment, parts and accessories and drastically restricting public and private transportation of all kinds. Not only are new operations which would compete with or duplicate existing operations forbidden, but competition and duplictiaon which has been in lawful existence for many years are ordered eliminated or curtailed. On some light traffic routes competition has been entirely eliminated by the forced retirement of carriers unable to meet the stringent requirements of efficiency.

Carriers generally have been told in forceful terms that if government operation of their lines is to be avoided all needless duplications must be eliminated and their traffic and service pooled

in such manner as to obtain maximum use of manpower and equipment. Much progress has been made in this direction among the carriers serving the Pacific Coast, but further progress is being demanded and meetings are now scheduled for the purpose of arranging further curtailment of service by assigning particular points of origin and destination to particular carriers, to
2158 the exclusion of others heretofore serving them.

In the light of these conditions we find it difficult indeed to reconcile the conclusions of the majority with reason. While lack of coordination may sometimes be expected between wholly unrelated Federal agencies, it is shocking to find this Commission, in time of national emergency, authorizing a wholly needless and wasteful duplication of service in direct contravention of the mandates of an office headed by one of its own members. Certainly it is not too much to expect that the Commission may take judicial notice of the existence of the unlimited national emergency, nothwithstanding this record is far too old to reflect it. If the Commission may not take note of such fact, the least it may properly do is reopen the proceeding for further hearing and permit evidence thereof to be submitted.

At the risk of being unduly repetitious we again remind the Commission that it is not merely one added through service between Portland and San Francisco which the report approves, but four, two by each carrier, one via Klamath Falls and the other via Medford. The distance between Portland and San Francisco via Medford is 707 miles and via Klamath Falls 680 miles. Assuming each carrier operated only one round trip over each of its newly authorized routes daily it would result in 5,548 added truck miles. If it be assumed that these four through services would replace two presently authorized joint-line services, the excess mileage would be half of 5,548 or 2,774 daily for six days of
2159 every week. It is certain that, if permitted, each carrier would operate many more than a minimum of one schedule over each route, the number depending upon how much traffic each can control and divert from its present connection. The operation of only one schedule over each route authorized would result in a minimum of 60,000 added tire-miles daily or 18,720,000 annually.

It would appear that orders of the office of Defense Transportation would prohibit entirely the inauguration of this wasteful duplication of service and that it could not therefore be found at this time that either applicant is truly able to provide it, without which finding no grant of authority is sustained. But, assuming for the sake of argument that the new service should be instituted, the two applicants and other carriers now operating would be required immediately to formulate plans to revise their respective

services in such manner as to eliminate duplications. Whatever may be justified by public convenience and necessity during times of peace, it is certain that added service may not be justified in the name of increased competition in time of national emergency. For the duration the imperative necessity is that the shipping public shall forego the frills of needless competition and that existing motor transport facilities be conserved to the utmost degree.

What developments may be expected in transportation following the close of hostilities is difficult to predict. We seriously doubt if any member of the Commission would care to make
2160 a prediction. There is strong reason to believe, however, that traffic requiring or that would be aided by the "hot-shot" schedules contemplated by this order will be transported by air and not by truck. The remote possibility that some of it might move by truck, in competition with service by air, certainly does not warrant the present authorization of a service presently impossible.

4. THE ORDER APPROVES SERVICE CONTEMPLATING HIGHWAY SPEEDS SUBSTANTIALLY IN EXCESS OF THOSE PERMITTED BY O. D. T.

Even more shocking to the sensibilities of those of us who have become attuned to the wartime necessity of driving under thirty-five (if and when we drive at all) is the fact that the basic argument advanced by the two applicants as "bait" to obtain shipper witnesses, and the underlying theory of the cases upon which they must stand or fall, was that the service to be given was to be high-speed, or, to use the language of the president of one applicant, "hot-shot" schedules.

The operating time necessary to maintain these "hot-shot" schedules is so fast as to challenge belief even in peacetime. Careful computations based on road tests by practical operators over the route and a detailed study of trip logs, all of which appear in this record, disclose that to maintain the proposed schedules would require consistent highway speeds (of heavy equipment bearing 68,000 lb. loads) averaging 52½ miles per hour outside of
2161 cities and other restricted areas. The record shows also that the wear on tires and equipment at such speeds is so excessive as to be impracticable even in times of normalcy. But the decision of Division 5 gives its blessing to this proposal in time of dire emergency.

It is stated in the report that Consolidated does not propose to operate between Medford and San Francisco faster than O-N-C now operates between those points nor does O-N-C propose to operate between Medford and Portland faster than Consolidated. But a study of actual trip logs covering such operations over a

representative period of time shows that those speeds are far too slow to maintain the schedules held out to the Commission and to shipper witnesses. But the division ignores the irrefutable proof that the schedules are impractical, thereby giving full weight to all fallacious shipper testimony based on this false hypothesis. In so doing it sets aside completely the established rule that the burden of proof is upon the applicant, saying:

"We conclude that applicants should be given the benefits of whatever doubts may exist as to their ability to maintain the proposed time schedules." (Sheet 16.)

In so doing it has given the applicant the benefit of the doubt as to the underlying issue of the case, namely, whether or not "hot-shot" service is required by public convenience and necessity and if so, is it practical to give it. We contend that if the offered service is impractical, or if it cannot under present conditions be furnished, then all testimony given on such false premise is a nullity.

2162

The last paragraph on sheet 15 refers to elapsed time "presently maintained" by O-N-C and Seaboard on their joint route service between Portland and San Francisco, over U. S. Highways 101, 199, and 99, which evidence is cited to aid in sustaining the claim of applicants as to their ability to maintain their proposed schedules. Seaboard is no longer operating, its rights having been transferred to Oregon Express many months ago. The joint service of O-N-C and Oregon Express is not over U. S. Highways 101 and 199, but entirely on the Valley route, namely U. S. 99. In any event the elapsed time of 28 to 30 hours claimed to have once been given on that route cannot be compared to the proposed service of applicant's because, as stated in the last sentence of the first paragraph beginning on sheet 7 of the report, "Seaboard cannot serve the intermediate points from Grants Pass to Portland." Indeed it served only one point between San Francisco and Portland. The joint service of O-N-C and Oregon Express is, as heretofore stated, operated as a single line, with through equipment.

The fact that O-N-C's elapsed time on the above described operation between San Francisco and Portland is claimed to be 28 to 30 hours, notwithstanding the fact that the 276 miles between Grants Pass and Portland was operated as a limited express schedule without a stop, does not (as the majority opinion contends) prove the ability of applicants to operate a 25½-hour schedule between San Francisco and Portland. On the contrary, it disproves it because both of the applicants propose to serve *all* intermediate points, with all the delay necessarily involved.

2163

Nor does the 29-hour run of Los Angeles-Seattle Motor Express aid applicants' proposed schedules of 25½ hours. Los Angeles-

Seattle is the carrier whom the majority opinion (p. 8) criticizes because its service to intermediate points in Oregon was restricted to Salem, Eugene, Roseburg, and Medford. With nearly half of its schedule on a high-speed basis, particularly through the entire state of Oregon, how may the majority logically arrive at the conclusion that this 29-hour schedule proves the feasibility of a 25½-hour schedule by applicants, serving all intermediate points?

In the light of these findings, the majority opinion admission that they are giving applicants the "benefit of the doubt" on the feasibility of the proposed "hot-shot" schedules is an understatement.

Perhaps the highlight of inconsistency embraced in the report appears in the footnote numbered "3" at the bottom of sheet 16, in which it is said:

"We are cognizant of the fact that there now is in effect a 35-mile speed limit which will increase the driving time, but this speed limit affects all schedules."

In the face of this recognition of this 35-mile speed limit,
2164 the division resolves the doubt in favor of the ability of applicants to maintain "hot-shot" schedules devised in peacetime and requiring average speeds outside of restricted areas in excess of 50 miles per hour. But even more astounding is the statement that "this speed limit affects all schedules." Obviously it does not. Existing schedules falling within that limit remain unchanged. The only effect is to bring the offered service upon which these applications are founded down to a level comparable with existing service, thus completely nullifying and destroying the entire foundation of applicants' cases—and likewise the report and order of Division 5.

5. TWO SEPARATE AND DISTINCT RECORDS HAVE BEEN IMPROPERLY CONSIDERED AS ONE

For no other apparent reason than the fact that the separate applications of Consolidated and Fast Freight resulted from the same disagreement, Division 5 has erroneously considered the two separate records therein in all respects as though they were one. This conclusion is inescapable from a reading of the report. The error is, of course, fatal to the validity of the findings and order.

That the two separate records have been improperly combined in the Division's consideration of the two applications is most strikingly evident in connection with the shipper testimony, which constituted by far the greater part of the record in each case. On sheet 7 of the report it is said: "Approximately 120
2165 shipper witnesses were called by one or the other of the applicants, although some few testified in behalf of both ap-

plicants. * * * Applicants' shipper witnesses, as a whole, are engaged in shipping or receiving general commodities at numerous points in California, Oregon, and Washington, and at some few points in Idaho."

This brief comment concerning shipper witnesses is neither accurate nor enlightening. If our computations are correct, there were actually 143 shipper witnesses in the two cases. Its real significance, however, lies in the fact that it constitutes a frank admission that for the purpose of the report they were considered as witnesses common to both cases and their testimony treated as though they had testified in both cases. Actually Consolidated produced only 50 shipper witnesses in all. Few, if any of them, would have appeared for Fast Freight. On the other hand, Fast Freight produced 93 shipper witnesses. Twenty-four of these admitted frankly that their personal preference for Fast Freight was so great that they would not use a better service afforded by some other carrier. Under no stretch of the imagination could these witnesses be appropriately considered as witnesses in support of the Consolidated application. On the other hand, counsel for Consolidated, with his lesser number of shipper witnesses, may well believe that his showing is nevertheless stronger than that of Fast Freight. This may account for the fact that he strenuously resisted an attempt to have the records joined.

2166 Aside from the entire impropriety of joining any two records, unless consented to by the parties, it should not be overlooked that the two records embrace entirely separate porsions from Medford and Klamath Falls to San Francisco. Fast Consolidated witnesses were called primarily to support extensions from Medford and Klamath Falls to San Francisco. Fast Freight witnesses were called to support primarily extensions between Medford and Klamath Falls, on the one hand, and Portland, Oregon, and Vancouver and Camas, Washington. Thirty-three of them were interested only in the proposed Coos Bay and Lakeview extensions.

Since the protestants were interested in both portions of the route between San Francisco and Portland, Camas and Vancouver, their evidence was so presented as to cover the entire area, and by reference made a part of both records by stipulation of the parties. Such evidence may therefore be properly considered in both cases, but this fact furnishes no sound excuse for joining the records in their entirety.

6. THE DIVISION ERRONEOUSLY CONCLUDED THAT THE GRANTING OF ONE APPLICATION REQUIRES THE GRANTING OF BOTH

On sheet 23 of the report the surprising statement is made that: "For reasons which are obvious, authority should be either granted or denied to both applicants to operate over the Valley
2167 Route." We confess that to us the reasons are not obvious.

But the statement of this conclusion, entirely unsupported by facts or reasons, not only confirms the fact that the two separate records have been treated as one, but tells us why, namely, to reach a common result in both cases.

It is perhaps a mild statement to say that this is a startling and disconcerting innovation in administrative procedure which lends little hope or encouragement to the conscientious practitioner who has labored long and earnestly in the making of a record in his case, confident in the belief that the facts in that record alone will govern the decision. But, aside from the fact that the conclusion is erroneous as a matter of law and violates the most fundamental rules of procedure, it is equally erroneous in fact.

The statement that "authority should be either granted or denied to both applicants" is but another way of saying that public convenience and necessity either requires two new through services between Portland and San Francisco via the Valley Route or it requires none. As actually applied in the ultimate conclusion the true meaning is that public convenience and necessity either requires four new through services, two via Medford and two via Klamath Falls, or it requires none. This is so for the obvious reason that the only question involved in the statement is whether public convenience and necessity requires additional service of the kind proposed.

2168 Obviously the conclusion expressed has no support in reason—nor even in the combined records in the two cases. No witness testified that four additional through services were required. The conclusion expressed is seemingly but a conclusion of convenience, made in a spirit of generosity in the hope of avoiding a charge of favoritism between two simultaneous applicants. But the Commission may not so easily escape its statutory duties in matters of this kind. It must determine whether public convenience and necessity requires any additional service, how much additional service, and which applicant is best suited to provide it. It may not grant privileges to one merely because it has granted like privileges to another, since it is the public convenience and necessity that is to be served and not that of the applicant.

See Short Way Lines, Inc., Extension of Operations, MC–13027 (sub. 4).

7. INABILITY OF CONNECTING CARRIERS TO AGREE DOES NOT PROVE PUBLIC CONVENIENCE AND NECESSITY FOR THE DUPLICATION OF SERVICE

One fact about which the record leaves no uncertainty is the basic reason prompting the filing of the applications herein. Fast Freight had for many years served as connecting carrier for Consolidated for the handling of freight between Medford and San Francisco. Consolidated had been instrumental in bringing about the organization of "Freightways, Inc.," an or-
2169 ganization embracing a number of the carriers with which Consolidated regularly interchanged freight, and insisted upon Fast Freight becoming a member. This insistence finally took the form of a threat that failure of Fast Freight to join would result in an application by Consolidated to duplicate Fast Freight's service and deny it a connection at Medford. Fast Freight resented the attempt of Consolidated to dominate it and refused to accept membership in Freightways, stating that if Consolidated applied for the right to duplicate its service, Fast Freight would take similar action as to the route of Consolidated in Oregon. The threats were carried out in the filing of the applications herein, which action Division 5 has approved.

It is worthy of note that the showing made by both applicants was directed almost entirely to this controversy between the two applicants, their differences of opinion as to how the interchanged traffic could best be handled, unsatisfactory incidents resulting from such disagreements, and other similar matters relating entirely to their own service. These are the matters which apparently have influenced the division in its conclusion rather than any deficiencies in the service of other carriers serving the ter- of a showing that the service of transportation companies genritory, or the service as a whole. We contend that in the absence erally in the area is inadequate, a showing of defects in applicant's own service cannot sustain the order.

If an ambitious carrier may establish public con-
2170 venience and necessity by so simple a means as disagreeing with his connecting carrier as to the type of equipment used or as to trivial incidents of interchange, then the bars are down for unlimited expansion and duplication of service. Indeed, if the decision of the Division herein should be permitted to stand, it will constitute a most effective club by which Consolidated may bring any of its less powerful connections within its utter domination and control. Again and again it may be expected to say to one connecting carrier after another: "Join Freightways—or else." Should further inducement be necessary

it might well add that its conduct had received commission sanction; that refusal to join had been held to establish public convenience and necessity for a duplication of service. The result should be obvious. We are certain the Commission would not knowingly become a party to such a scheme.

The fallacy of the principle which the division approves may be illustrated by applying it to the rail lines. Imagine if you can a finding of public convenience and necessity for Southern Pacific to extend its lines from Portland to Seattle and for the Union Pacific to extend its lines parallel with those of Southern Pacific, via both the Cascade and Siskiyou routes to San Francisco, for the reason that each objected to delays in interchange at Portland, and because of inability to agree upon a common standard as to the dimensions of freight cars or as to size of motive power. To
2171 complete the picture assume there were already in operation five or more rail lines adequately equipped to serve all public needs. Unless the Commission could logically approve such a proposition it could not affirm division 5 herein.

Beginning on sheet 18 of the report will be found an extended discussion of the evidence relating to the deficiencies in the service of the two applicants. This discussion embraces several pages of the report and becomes of particular significance in the light of the fact that the report contains no similar discussion of the service of other carriers serving the area. For the purpose of illustrating the trend of thought embraced in the report, we quote a few brief excerpts therefrom showing that the Division based its decision almost wholly upon the inadequacies of the services of the applicants rather than of other carriers.

"Consolidated's policy is to use a truck and trailer combination, whereas O-N-C's theory of proper equipment is the use of six-wheel trucks and trailers in California and a tractor and semi-trailer combination in Oregon." (Sheet 18.)

"Since through trailer service has been inaugurated, it saves some handling at Medford but the major portion of the tonnage is transferred." (Sheet 19.)

"Where freight for intermediate points is included with freight in through trailers, it usually causes a delay of from 2 to 3 days in making delivery." (Sheet 19.)

2172 "Through billing is in existence from San Francisco on north-bound traffic only. Shipments from all other points have to be rebilled at Medford." (Sheet 19.)

"Consolidated wants all of its freight destined, for example, to Spokane, Yakima, and Wenatchee, Wash., loaded in one piece of equipment, so that when it reaches Medford it will all be together for checking and can be loaded right through from Medford to

destination. This method of operation is not satisfactory to O-N-C as it delays O-N-C in San Francisco * * *. (Sheet 19.)

"About half of the time Consolidated receives more freight at Medford than it has arranged for, which makes it necessary to hold up its local or through tonnage. * * * Misinformation as to the volume of tonnage to be expected at Medford is caused by the fact that additional freight is picked up by O-N-C at points north of San Francisco after Consolidated receives notice of the estimated tonnage to be transferred." (Sheet 20.)

These are but a few of the famous fourteen points presented in the testimony of the president of Consolidated, all relating to alleged defects in the service of the two applicants, particularly when compared with the through service of other carriers operating over the route. The remarkable truth is that this allegedly inferior service upon which the two cases and the decision of
2173 the Division is premised built up, during the period of eleven years during which the joint service was given, a greater volume of tonnage than all of the through carriers combined. But it is important to note the manner in which the report applies its factual statements concerning this joint service.

The conclusion apparently is in the following statement found on sheet 23:

"As seen, Consolidated and O-N-C transport the bulk of the traffic between San Francisco and Portland. For reasons which are obvious, authority should be either granted or denied to both applicants to operate over the Valley Route."

We have at another point challenged this conclusion for other reasons which are more than adequate to disqualify it. But it likewise discloses that the division's conclusion has been reached, not only by the improper consideration in each case of evidence outside the record, but by giving primary consideration to alleged defects in the service of the applicants themselves rather than in the service of the carriers as a whole serving the area. As we shall hereinafter show, it is significant that there is no finding of any inadequacy in the service of other carriers or in the service as a whole.

2174 8. THE REPORT IS NOT SUPPORTED BY ANY FINDING OF INADEQUACY OF SERVICE OF OTHER CARRIERS

An examination of the report fails to disclose any finding or conclusion that existing carriers are not adequately equipped, able, and willing to serve the needs of all the shippers within the territory involved in an efficient manner, or that they are unable or unwilling to provide additional equipment. Indeed there is much

contained in the report to support the opposite conclusion. Without such a finding the decision of Division 5 may not be permitted to stand.

From a legal standpoint the burden of showing affirmatively that the services of existing operators were inadequate to meet public needs was upon the applicants, but applicants made no attempt to meet it. Applicants pointed to certain restrictions on the operations of individual carriers and to a few alleged minor deficiencies in certain individual services, but they made no effort to show that the total available service was inadequate. The report of the division tacitly concedes failure of proof in this respect when it discards the shipper testimony of the applicants with the terse comment that it is "difficult to appraise." Neither counsel for protestants nor the examiner who wrote the original reports herein found such difficulty; but regardless of how difficult it may be, that evidence constitutes the major part of this record and must be appraised and given effect. When it is given effect
2175 no opportunity remains to extend the "benefit of the doubt" to the applicants, for the very simple reason that their own evidence leaves no doubt.

All of the shipper testimony of applicants, as well as of protestants, was fully and carefully abstracted in our briefs herein and that of applicants carefully analyzed by the preparation of charts classifying it by subjects, that the Commission might at a glance appraise it. Neither our analysis nor that of the examiner received the slightest notice from the Division.

A brief review of the carefully prepared charts will disclose that 95 shipper witnesses were called by the two applicants to testify concerning the service over the Valley Routes between Portland and San Francisco; 46 of these testified that applicants' existing joint service was very good or satisfactory, 43 testified their needs were confined to emergency shipments, 56 of them admitted they were ignorant of all or a majority of the existing single-line services of other carriers, while 32 of them testified that the services of the other carriers were adequate or not subject to complaint. (See chart, Protestants' Brief in Consolidated case, p. 516; O-N-C case, p. 424.)

Wherein is such testimony "difficult to appraise"? It would seem obvious that the only difficulty encountered was in finding any facts therefrom of a character designed to support what appears to have been a predetermined conclusion. In truth such showing requires a finding of adequacy of existing service
2176 and of ability of existing carriers to adequately meet the public needs. Such was the finding of the examiner who

prepared the proposed report, who disclosed no difficulty or uncertainty about the facts when he said:

"The evidence is convincing that existing carriers are adequately equipped, able, and willing to serve the needs of all of the shippers within the territory involved in an efficient manner, and that they are able and willing to provide additional equipment when needed. While the shipper witnesses desire a more expedited service, the record does not disclose that they have been put to a lot of inconvenience, or have suffered damages to a material extent as a result of the present services. Most of the shippers' complaints about the present services has to do with interchange between applicant and O-N-C at Medford, a matter within the power of these two companies to correct. The fact that they have been unable to mutually agree upon such arrangements as would eliminate the difficulties complained of is not sufficient justification to warrant the granting of authority to applicant to invade the territory of existing carriers, and deprive them of business which they rightfully should enjoy." (Sheet 47, report of H. L. Hanback, Examiner, Consolidated case.)

A similar conclusion was reached by the examiner in his analysis of the record in the O-N-C case. May we not, therefore, express surprise that the division should reach a conclusion directly opposed to that recommended by the examiner without any finding whatever upon this vitally important issue?

The process of thought underlying this fatal omission
2177 from the report, and the fallacy thereof, may be gleaned from the language of the report itself. The service afforded by the several carriers, substantially as it existed at the time of the hearing, is reviewed at length in the report. This review discloses that certain carriers have service designed to give special attention to commodities requiring refrigeration and prompt movement between major centers without the delay incident to the rendering of local service to all intermediate points. Other carriers, such as Pierce Auto Freight Lines, Inc., serve all intermediate points. Notwithstanding the fact that the two applications are premised on high-speed service, which of necessity prevents service to all intermediate points, it is inferred that a reason for approval is the fact that some of the existing carriers, especially those featuring rapid service, do not stop at all points. Then, because the Pierce service, which does serve all intermediate points, had been on a daily basis for only a brief period of time and shippers were not entirely familiar with it and therefore did not know what service was being afforded, the Division completes its mental picture with the following language:

"That some of the witnesses were not familiar with the fact that Pierce was rendering daily service between Portland and San Francisco is readily understandable from the facts heretofore discussed." (Sheet 24.)

We would have no criticism with the language quoted if
2178 the discussion of the question of adequacy of service did not end there. But that is the ultimate disposition of the question of the adequacy of service. What the division has decided is obvious. It has determined, not that existing service is in any respect inadequate, but that shipper witnesses were excusably unfamiliar with the quantity and quality of service available to them—and therefore should be accorded added service, which would perhaps cause them greater difficulty in keeping informed. We are confident the Commission as a whole will not desire to adopt such reasoning; indeed we do not believe it truly reflects the reasoning of the two Commissioners whose names appear on the report. Indeed both of them have found in a later proceeding hereinbefore cited that existing carriers are competent and able to properly handle all traffic.

It is perhaps unnecessary to say that prior to the report and order of Division 5 in this case the Commission has consistently held that a showing that present facilities are inadequate is a condition precedent to a finding of public convenience and necessity. This rule is well expressed in Dwyer and Anderson, 11 M. C. C. 749:

"Aside from evidence of a willingness and ability to engage in the operation of motor vehicles as a common carrier, under the provisions of the Act, there must be an affirmative showing not only that the service is required in the convenience of the public proposed to be served, but that it is a necessity on the part of such public. *The latter element includes a showing that the pres-*
2179 *ent facilities are inadequate for the transportation of the described commodities between the points involved.*" [Italics supplied.]

Other decisions expressing this rule are:

John Joseph Norton Application, 1 MCC 114.
Bluenose Bus Co. Application, 1 MCC 173.
Lincoln Trails System, 28 MCC 373.
West Coast Bus Lines, Ltd., 32 MCC 619.
In re Justice, 2 MCC 699.
In re Doyle, 3 MCC 436.
Lake Champlain Transport Line, 4 MCC 125.
Smoky Mountain Tours Company, 10 MCC 127.

9. THE REPORT IS NOT SUPPORTED BY ANY FINDING THAT THE GRANTING OF THE APPLICATIONS WILL NOT IMPAIR EXISTING CARRIERS

In Texas & N. O. R. Co. v. Northside Belt Ry. Co., 276 U. S. 475, at page 479, the United States Supreme Court summarized the requirements of a finding of public convenience and necessity in the following language:

"The question in substance is, whether the new operation or service will serve a useful public purpose responsive to a public demand or need; whether this purpose can or will be served as well by existing lines or carriers; and whether or not it can be served by applicant with the new operation or service proposed *without endangering or impairing the operations of existing carriers contrary to the public interest.*" [Italics supplied.]

This language was, in substance, adopted by the Commission in Pan-American Bus Lines, 1 MCC 190 and other cases, and
2180 indeed in the report in this case. Our criticism is that after recognizing the principle the Commission has neglected to apply it. We assert that the Division has not found, and on this record could not find, that the granting of operating rights for four new through services would not impair or endanger the operations of existing carriers.

This matter is referred to on sheet 24 of the report where it is stated that "it would be difficult to conclude that authorizing applicants to perform the operations set forth in our findings herein would so endanger or impair the operations of existing carriers as to be contrary to the public interest." But this negative and indirect statement does not meet the legal requirement. It is not enough that the record may make it difficult to conclude that existing carriers would be impaired; it must appear affirmatively that they would not, and the Commission must directly so find. This it has not done.

With respect to service of Consolidated via Klamath Falls to central and eastern Oregon and Washington, it will be observed the report has this to say:

"Certainly, there is no evidence of any impairment of existing service if Consolidated is authorized to extend its route southward from Klamath Falls, for there is now no service, through or joint, between points in central and eastern Oregon and Washington over the proposed routes." (Sheet 24.)

Again we point out that it is not enough that there is no evidence of any impairment. There must be evidence that there will
2181 be no impairment, and the burden in this respect, as in all other phases of the proceeding, is upon applicants. Thus

the Division admits in effect that there is no evidence on this very vital point. But it does not excuse the lack of a definite finding thereon.

Incomplete and inadequate as is the above conclusion, it is also erroneous in fact. At the time of the report through service by interchange of equipment was, and now is, available over this route. But whether there is or is not through or joint service to central and eastern Oregon and Washington via Klamath Falls and the central Oregon highways as proposed herein by Consolidated begs the question. The record clearly shows that there is service via the lines of all of the protestants, either directly or through their connections via Portland (which route the applicant also intends to use in its south-bound movement) to all of the destination territory involved, and that the authorized service would deprive not only protestants but Fast Freight as well of traffic which they now enjoy.

Lastly we point out that the Commission has on later records, particularly in the Consolidated Freightways finance cases hereinabove cited, specifically found that "the loss of traffic by existing carriers would be likely to impair their ability to render an adequate service over their routes." Thus it appears that Division 5 not only did not, but in this situation could not, make the finding requisite to the validity of its decision.

2182 10. THE FINDING OF THE ABILITY OF APPLICANTS TO PERFORM THE PROPOSED SERVICE VIOLATES THE RULE THAT THE BURDEN OF PROOF IS UPON THE APPLICANTS

The report indicates that there is in this record substantial controversy concerning the ability of applicants to render the proposed service. Some of this evidence relates to questions of operating time discussed elsewhere herein. Perhaps of greater importance, at least during normal times, was the question of the unbalance of traffic prevalent between Portland and San Francisco. While applicants produced evidence suggesting savings to result from eliminating the cost of transfer of lading, protestants produced evidence that because of unbalance of lading both operations proposed would result in financial loss. Again the report of the Division fails to make an affirmative finding to support its conclusion of ability on the part of applicants. Instead of applying the established rule of law relating to such matters, the Division, on sheet 25 of its report, adopted again its rule of convenience expressed elsewhere in the report, saying:

"we are of the opinion that we should give applicants the benefit

of any doubts that may exist as to whether they could operate successfully over the routes authorized herein."

Convenient as this "benefit of the doubt" theory may have been to the writer of this report, protestants insist that if the principle that applicants must sustain the burden of proof means anything at all it means that protestants rather than the applicants
2183 must be given the benefit of the doubt. This obvious error of law necessitates a reversal of the decision.

11. BECAUSE THE RECORD IS STALE THE FACTS FOUND ARE NOW ENTIRELY UNTRUE

This record was closed on October 29, 1940, or more than a year preceding the Pearl Harbor incident. The order was entered two years and four months later when the Nation was engaged in a global war the duration of which is highly problematical. Perhaps nothing in the history of the Nation has so vitally affected our business and economic life. Transportation conditions have perhaps been more vitally affected than any other phase, and nowhere have these changes been greater than on the Pacific Coast.

It is also significant that, shortly following the date of the hearing, clarification of the operating rights of several carriers serving between Pacific Coast points permitted the development of their service and substantial additions to their equipment. New connections and arrangements for joint through service, with interchange of equipment, particularly on the part of the applicants herein, resulted in the establishment of through service by each of these applicants identical with that proposed herein insofar as through operation of equipment is concerned.

Therefore, regardless of whether the underlying findings
2184 of Division 5 find support in the obsolete record, they were untrue at the date the order was entered and they are untrue now. The most that may be said for alleged statements of fact in the report is that they constitute a partial and incomplete history of motor transportation operations in the territory before the war. In the light of the ruling of the United States Supreme Court in Atchison, Topeka & Santa Fe Ry. Co. v. United States, 284 U. S. 248, concerning the subject of stale records, it should be unnecessary to say more on this point than that these protestants will undertake to produce evidence on a rehearing showing that all controlling findings of fact relied on by Division 5 for the support of its order are now, and were at the date of the order, untrue.

For the benefit of any who are willing to analyze details we submit the following specific challenges to the truth of the findings or statements of fact embraced in the decision.

In making our analysis we have not undertaken to review purely historical facts, statements as to the contentions of the parties or as to the testimony of individual witnesses. Because of changes in conditions these matters are now relatively unimportant; nor shall we attempt to discuss minor details. Attention will be directed to statements of alleged fact which appear to have been controlling on the conclusions reached. For convenience we use the topic headings of the report.

2185 APPLICANT'S PRESENT SERVICE

On sheet 3 and again on sheet 18 it is stated that Consolidated and O-N-C have been interchanging freight for about 11 years at Medford and about six years at Klamath Falls to give joint through service between points served by each; that 90% is interchanged at Medford and 10% at Klamath Falls; that about one-third of the tonnage has been handled through interchange of trailers.

As we understand the record, and as another part of the report admits, all interchange at Klamath Falls between these applicants was abandoned years before the hearing because it disadvantaged O-N-C (see last paragraph of sheet 20). The present facts are that substantially no traffic, if any at all, was on the date of the report herein, or is now, exchanged between the two applicants either at Medford or at Klamath Falls, nor are through trailers interchanged. Shortly following the hearing both applicants found other and more friendly connecting carriers and through these connections have operated through equipment over both routes for the entire distance between Portland and San Francisco.

For a time the Consolidated operation was performed under a temporary lease arrangement with O. J. Mitchell, pending action upon an application for authority to lease and purchase. Upon the denial of such application Consolidated arranged for the furnishing of such equipment as Mitchell might require
2186 in the handling of its interchanged traffic, such lease being on a cost plus basis, arranged for the use of the "Freightways" name by Mitchell, and has since that time interchanged its California freight with him. The latest testimony which we have examined on the subject discloses that from 10 to 13 units per day are interchanged between Consolidated and Mitchell and move in a through operation between San Francisco and points in the Northwest without transfer of lading. Some of these move via Medford and some via Klamath Falls. Some of the Klamath Falls units moving north-bound serve eastern and central Oregon and Washington and western Idaho and Montana points via Bend and The Dalles-California Highway.

O-N-C, through its back-door control of Oregon Express and its predecessor, shortly following the close of the hearing herein established like through service between Portland and San Francisco via Medford. Later, upon the purchase by Oregon Express of the interstate rights of one Marvin L. Dow between Klamath Falls and Eugene, we believe through service was established via Klamath Falls. Here again the equipment for the through service is furnished almost entirely by the applicant company, which has thereby been enabled to furnish, without Commission approval and without extension of operating rights, precisely the same through service between Portland and San Francisco as is authorized in the order herein—which they contended in the hearing could not be done. The statement above referred to is
2187 therefore wholly erroneous as of the date of the report and now. The entire basis of the order is accordingly false, for it was the alleged difficulty of interchange, resulting from their disagreement, which occasioned both applications.

SERVICE PROPOSED

At the top of sheet 5 will be found a table purporting to compare the proposed and present elapsed time in hours between San Francisco and certain points named, as well as the "average driving time in miles per hour." The proposed elapsed time would obviously have to be changed now because of O. D. T. restrictions in speed, and because the proposals at the time of the hearing contemplated speeds in excess of 50 miles per hour. The present elapsed time is for the same reason substantially different than that shown in the report. The driving time shown in the table embraced in the report we believe was intended to represent actual hours of driving time rather than miles per hour, as erroneously stated at the top of sheet 5. This is likewise controlled by O. D. T. restrictions and is substantially changed.

We may illustrate the effect of this reduced speed requirement of O. D. T. by referring to the testimony of witness Pierce at p. 2171 of the O-N-C record. After deducting mileage within cities and restricted zones and making due allowance for necessary stops for changing drivers, handling freight, checking
2188 equipment, etc., he observed that there would remain 525 miles of unrestricted highway to negotiate in 9 hours and 45 minutes to maintain the 25-hour schedule between San Francisco and Portland. This would require a consistent average speed of 52½ miles per hour over this 525 miles, which, of course, would necessitate actual speeds substantially in excess thereof. Applying an average speed of 35 miles per hour to this 525 miles of highway shows that 15 hours would be required, as a minimum,

to negotiate it, if the truck never slowed below 35 miles. On this basis a minimum of 30 hours and 15 minutes would be required for the trip, which approximates the actual operations of most of the carriers.

Following the table on sheet 5 it is said that the proposed San Francisco-Spokane schedule will connect at Spokane with Consolidated's present service to points in northern Idaho and points east, affording shippers a 24-hour faster service. Actually Consolidated, through its coordinated operation with Mitchell Freightways has for many months if not years past provided through service from San Francisco to Spokane via Klamath Falls and The Dalles-California highway and has thus been enabled to provide, if it so desires, and if O. D. T. speed limits do not prevent, the 24-hour faster service to northern Idaho points and points east. Therefore, if the shippers have not already received 24-hour faster service, the granting of this application will not change the situation.

2189 It is next stated that Consolidated's proposal to haul loads through from San Francisco to Seattle would eliminate two transfers as well as the time presently involved in stopping at Oakland to load; that the proposed schedule would save from 8 to 9 hours at Medford and from 13 to 15 hours at Portland.

The present fact is that the coordinated service of Consolidated and Mitchell Freightways, including the use of common equipment, has eliminated all of the delays referred to, and, if the north-bound freight still arrives at Portland too late to make connections for Seattle, it is entirely because of O. D. T. speed restrictions and not because of interchange delays.

In this connection it should be pointed out that the alleged saving of 8 to 9 hours at Medford referred to in the report related solely to hours wasted because of the unwillingness of Consolidated to start its schedules northward prior to the close of the business day at Medford. This now becomes unimportant because on through freight the excuse for delay was long ago eliminated.

Due to the speed restrictions of O. D. T., the statement that operations over Oregon Highway 58 between Goshen, Oregon, and U. S. Highway 97 will save from 3 to 4 hours, is no longer true.

The next paragraph of sheet 5 states that the San Francisco-Portland schedule will provide, on north-bound traffic, first

2190 morning delivery at Ashland, Medford and Grants Pass, Oregon, and first afternoon delivery at Roseburg and Eugene. Even the obsolete record in this case does not support first morning delivery at Grants Pass or first afternoon delivery at Eugene, but in any event the O. D. T. 35 mile speed limit has made

such deliveries impossible. This is likewise true of all of the other delivery times mentioned in the paragraph, it being obvious that the enforced speed restrictions have placed the time in transit of all operators substantially on a common level.

The last paragraph on sheet five relates to proposed San Francisco-Marshfield service, which, in the light of action taken, perhaps becomes unimportant, but which is nevertheless erroneous as of the present time because of operating time restrictions of O. D. T., dimout restrictions of the army, etc.

The next paragraph, beginning at the bottom of sheet 5, relates to assumed faster service and for reasons above indicated is now entirely untrue.

The first paragraph beginning on sheet 6 refers to appendix C relating to proposed service of Consolidated and that of protestants. According to the testimony in the absolete record, that proposed service was impracticable if not impossible at the time of the hearing; present speed restrictions definitely make it impossible.

The second paragraph on sheet 6 describes the proposals of O-N-C in the handling of its traffic, particularly the inter-
2191 change of trailers at the Oregon state line as then necessitated by the weight and length restrictions of the state of Oregon. Changes in the Oregon requirements since the hearing have made these plans entirely obsolete. This company, in conjunction with Oregon Express and by complete interchange of equipment arrangements, is now conducting its San Francisco-Portland operation as a single line operation. To the best of our knowledge trailer loads of Seattle freight are not turned over to connecting carriers at Portland, although present operations would permit as readily as under the grant of authority in this order.

The next paragraph on sheet 6 refers, among other things, to the number of units of equipment operated to Medford or Klamath Falls, all of which statements are now entirely obsolete and untrue.

The last paragraph on sheet 6 relating to the transfer between San Francisco and the other points named is likewise entirely untrue because of enforced changes in operating speeds. This is likewise true of the statements embraced in the first paragraph of sheet 7.

SHIPPER WITNESSES

The first paragraph under this heading relates to the number of witnesses called by the two applicants. As we have pointed out elsewhere herein, this paragraph is in error in the statement of the number of shipper witnesses called by the applicants. As to the second paragraph under this heading, it is obvious that

2192 all of the shipper witnesses referred to as being engaged in shipping or receiving general commodities at numerous points in California, Oregon, Washington and Idaho cannot be true. Many of them are doubtless in the military service, others out of business and no doubt some of them deceased. It is certain that those remaining in business are not doing business as usual or making the shipments testified to at the time of the hearing.

PROTESTANTS' SERVICE

Seven sheets of the report are devoted to an analysis of the service afforded by various transportation agencies over the proposed routes involved in these applications. Conceding that the report, insofar as it attempts to describe the service in existence at the time of the hearing, is reasonably accurate, it is likewise true that as of the date of the report and now it is wholly inaccurate as to the frequency of schedules the number of units of equipment in use, the character of that equipment and the departure and arrival time of schedules. It is likewise inaccurate in that there have been changes in the operating authority of certain of the carriers not mentioned in the report, there have been transfers of operating rights and other changes which have completely revised the transportation picture.

2193 In our analysis we will ignore all statements of alleged fact except those dealing specifically with the service in the territory affected by the operating rights granted.

The fact that seven sheets of the report were required to outline even briefly the scope and extent of available service given by the protestants alone within the area involved strongly suggests how well and completely the shipping public was being served at the time of the hearing. In addition to the joint service of the two applicants, the report lists seven line-haul carriers, most of whom were operating one or more schedules daily. In addition it mentions Bekins Van Lines, Railway Express Agency and Southern Pacific Company. There are, of course, irregular route carriers serving the territory, too numerous to mention.

But the above list of eleven regular transportation services is not complete. To this list must be added Seaboard Motor Freight (now Oregon Express) with operating rights between Portland and Los Angeles via U. S. 99 to Grants Pass, thence via U. S. 199 and U. S. 101 to San Francisco and Los Angeles, making twelve in all.

To analyze the operations of each of these carriers individually and to point out item by item all of the changes in service since the close of the hearing would unduly prolong this brief and perhaps serve no useful purpose. O. D. T. requirements and war

necessity are producing changes in service from day to day and the departure and arrival times listed in the report have
2194 little if any present significance. Carriers as a whole are moving the freight as expeditiously as conditions permit and doing a splendid job of meeting the needs of their shippers and of agencies of war. It is doubtful if either applicant or protestants are promising delivery of shipments at any given time; nor do shippers expect it. In this respect, it is sufficient to say that the statements of fact embraced in the report and relied upon as a basis for the order are, on the whole, presently untrue.

A brief analysis of the available equipment of the several carriers listed in the report will, however, disclose that there has been a vast increase in the quantity of service afforded since the date of the hearing and that the report falls far short of reflecting conditions existing at the date of the report or now. Because of the difficulty of contacting the management of all of these carriers in time to complete this brief promptly we have been content to take most of our equipment lists from sworn testimony given in later hearings before joint boards or examiners of the Commission in proceedings heard since the close of this record. We therefore cannot vouch for their absolute accuracy at this date. They do constitute the most reliable information available to us and indicate generally the extent of the increase in equipment since the close of this record.

Los Angeles-Seattle is shown by the report to have had 20 trucks, 20 tractors, and 20 trailers but an examination of Exhibit
2195 29, which is a list of this company's equipment, indicates the report is in error. The exhibit lists only 20 units, treating a truck and trailer or a tractor and trailer as a unit. No mechanically refrigerated units were listed, that company using insulated bodies and dry or wet ice for refrigeration. This company has since added nine complete units, four of which are mechanically refrigerated.

Colletti is shown by the report to have had eight units in all, none mechanically refrigerated. He now operates seventeen units, three of which are mechanically refrigerated.

Cascade (now System) is shown to have in operation only eight units at the time of the hearing, none of which were mechanically refrigerated. It now operates in its service between Oregon and California points approximately 30 units, eight of which are mechanically refrigerated.

Pierce Auto Freight Lines, Inc. is shown by the report to have had 18 road units in service, including one mechanically refrigerated trailer. It now has 23 units in service, including an additional refrigerated truck. Its California schedules have been doubled.

Mitchell, at the time of the hearing, had only three road units in service, all of which were in very bad condition, none of which were mechanically refrigerated. He now has eleven well maintained units of his own in service and has available to him under lease arrangements equipment of Consolidated, including
2196. mechanical refrigerated equipment.

We do not have available present equipment data for Lubetich, Pacific Truck Express, Oregon Express, or either of the two applicants. We have no doubt it will show similar if not greater increases. The above figures will, however, indicate the approximate extent of equipment increases. These five carriers alone have increased their road units from 57 to 110 and now operate at least seventeen mechanically refrigerated units as compared to only one mechanically refrigerated trailer at the time of hearing. Thus there has been nearly a 100% increase in number of units operated by these five carriers alone, who now have seventeen times as many units with mechanical refrigeration.

Before leaving this phase of our analysis it is appropriate to say that one of the most difficult and controversial phases of motor transport service, namely the question of the merits of various types of refrigeration, was emphasized by applicants in this proceeding. Promises of mechanical refrigeration have been used too frequently as bait for prospective shipper witnesses to support new applications, and this case was no exception.

Some shippers and carriers like one form of refrigeration and some another. Doubtless each has some advantages for certain uses. Certainly in this emergency there is good reason to discourage the economic waste involved in hauling unnecessary weight in the form of mechanical equipment which will be idle in
2197 one direction of movement.

It should be obvious that it has never been and probably never will be practical for every carrier to provide a perfect refrigerated service for 50- or 100-lb. lots, for every type and kind of product and from and to every point on its line. Such wasteful operation could neither be justified nor excused. Without conceding that the record herein establishes any deficiency in refrigerated service even at the time of the hearing, we do say that present needs are more than adequately met; indeed in this emergency we are somewhat reluctant to admit the extent to which we have oversupplied mechanically refrigerated units.

PUBLIC CONVENIENCE AND NECESSITY

The first paragraph on sheet 15 relates to the testimony of a college professor as to certain hypothetical benefits assumed to result from 24-hour faster service. This evidence was given in the

Consolidated case only and was improperly considered as in both records. If the faster service has not already been given by the through operation of equipment as hereinbefore described, it certainly cannot be given now with the O. D. T. speed restrictions in effect.

The second paragraph on sheet 15 refers to the proposed 24-hour faster service already discussed and, insofar as it relates to present facts, is entirely untrue.

The third paragraph on sheet 15 relates to the testimony
2198 of the president-manager of Pierce Auto Freight Lines concerning operating time. Even this testimony may not now be depended upon to reflect present operations because O. D. T. speed restrictions have necessitated changes.

The second paragraph on sheet 16 relates to movement of traffic over the lines of Consolidated from Seattle to Oregon points south of Portland, which is traffic now and for many years past wholly within the ability of Consolidated to handle. It is said that at the present time this traffic moves from Seattle to Portland one night, lays over at Portland until evening, and then moves to destination the next. If such is the fact today it is entirely the result of the negligence of that company rather than lack of operating rights or of actual schedules. Consolidated has for many months operated early morning schedules from Portland southbound which are designed to handle just such shipments, and with expedition. It is our belief that the statement made is now entirely untrue.

The third paragraph on sheet 16 relates to production of frozen fruits and vegetables in 1933 and 1939 and obviously may not be depended upon as evidence of present-day facts. Nor can the statement in said paragraph as to preponderance of tonnage be depended upon to reflect war-time movement.

Passing the next several paragraphs dealing with matters of purely historical interest we point out that the last paragraph on sheet 18, describing types of equipment used by the two ap-
2199 plicants in Oregon and California, is wholly obsolete at this time by reason of change in Oregon weight and length requirements to conform to those of California for the duration of the emergency, and by reason of the fact that both carriers have long interchanged with new connecting lines.

The first paragraph of sheet 19 states that the elapsed time encountered by the two applicants in rehandling freight at Medford averages 4 hours. This statement is now wholly untrue for the reason that such freight is no longer rehandled.

The second paragraph on sheet 19 relates to interchange of Portland-San Francisco traffic between the two applicants, and

is no longer true, which is likewise the case as to similar matters in the third paragraph on that sheet.

The last paragraph on sheet 19, insofar as it purports to reflect present operating conditions, is entirely untrue. If true it would be of no present significance because of the entire change in connections of both applicants.

The second paragraph on sheet 20 states that O-N-C and Consolidated must frequently deadhead equipment to and from interchange points. We assert with confidence that this is now untrue, or that both carriers are operating contrary to the spirit of the rules of O. D. T. The remainder of the paragraph, whether true or false, has no present significance in the light of the changed plan of operation on the part of both applicants.

2200 The third paragraph on sheet 20 relates to central and eastern Oregon and Washington, northern Idaho and western Montana, and the proposed route through Klamath Falls and Bend. It is said that this route is approximately 140 miles shorter than that over which the traffic now moves, that the highway is straighter, faster, and less congested, and the use of this route will enable Consolidated to provide a service a full day faster than any now available; that there is now no service, through or joint, between the points in question over the proposed routes; that service is at present provided through Seattle or Portland and, in respect to certain Montana points, through Twin Falls. The statement is interesting as a historical review but is now wholly untrue. The service here authorized has long been afforded through the Consolidated-Mitchell plan of operation insofar as permitted by O. D. T. restrictions and practical operating practices.

For similar reasons the contents of the first paragraph of sheet 21 is untrue as to present alleged facts, insofar as material to this proceeding.

In concluding our analysis of this stale record, which more resembles early history than present fact, we refer briefly to the third paragraph on sheet 7 of the report wherein the Division, after discarding all shipper testimony as "difficult to appraise," has explicity stated the issues which have been controlling in "finally deciding the question herein." We repeat them in the order listed by the Division:

2201 "(1) their proposed speed-up of service," which our analysis proves has not only always been impractical and against public interest, but which at the time of the report was and is now wholly impossible.

"(2) their use of mechanically-refrigerated equipment" which our analysis proves has been available at all times since the hearing in connection with the through service of both applicant and

their equipment interchange with their new connections; and which other operators have since provided in excessive numbers.

"(3) their service to intermediate points," which our analysis proves has always been adequate; wherein the service actually afforded was ignored by the Division because shippers were not informed of it, wherein a reduction of service has been and is now being compelled by O. D. T. for the purpose of avoiding wasteful duplication.

"(4) their proposed single-line service as against joint-line service," wherein we have established that since the hearing the equivalent of single-line service with the operation of through equipment without interchange of lading has been in effect for almost the entire period since the hearing, to and including the present date.

"(5) in respect of Consolidated, its proposed through operations between San Francisco and points in eastern Oregon and Washington * * *" (reference to unauthorized routes
2202 omitted) wherein our analysis has shown that such service was established by applicant shortly following the hearing herein, and has since been furnished via the unified operations of Consolidated and Mitchell Freightways.

Thus we assert emphatically that the granting of the applications would result in utterly no change in service to the public in connection with either or any of the five points upon which the decision rests, and if rehearing be granted we offer to so prove.

Conclusion

In concluding this brief, as we have been in the preparation of our argument, we are truly hesitant to summarize the facts in language as emphatic as the situation would seem to merit, being cognizant that conservatism in statement on the part of counsel is always to be recommended, yet keenly aware that the most conservative statement of the bare facts will, in this instance, have the outward appearance of gross exaggeration. Nevertheless we must urge that an examination of the report and order herein in the light of established rules of practice, decisions in controlling related cases and the wholly changed conditions since the record was made must result in the certain conviction that the report and order have today utterly nothing to sustain them either in law or in fact.

Contrary to the customary practice of the Commission,
2203 concerning whose procedure we have rarely had cause to complain, the division has in this instance violated almost every rule of equity and good practice which may be violated in ascertaining facts and applying the correct rule of law in a pub-

lic convenience and necessity proceeding. Lastly, the "facts" applied are no longer facts but history only.

By the consideration of two records not properly joined, by assuming that the granting of one application necessarily requires the granting of another, by the further assumption that inability of connecting carriers to agree on methods of interchange establishes public convenience and necessity, without a finding of inability of existing carriers to adequately serve the public or a direct and conclusive finding that existing carriers would not be impaired, and by waiving the burden of proof which is upon applicants through extending to them the "benefit of the doubt," on stale evidence 2 years and 4 months or more old, the Division has entered an order which is contrary to the law of the case as established by three former decisions on later records and at a time of extreme national emergency has authorized four new through services which would result in duplications prohibited by O. D. T., all of which services are predicated on promised "hot-shot" schedules requiring highway speed substantially exceeding that permitted by O. D. T.; all for the sole purpose of providing a promised through service which has already been established and (subject only to speed restrictions) is now being given
2204 by interchange of equipment with new and friendly connecting carriers.

During the present emergency and pending further hearing and investigation and the conclusion thereof we urge that the authorized certificates be held in abeyance; or, in the alternative and upon the present record that the Commission reconsider and reverse its report herein and deny the applications.

Respectfully submitted.

HENRY T. IVERS,
ALFRED A. HAMPSON,
PAUL P. FARRENS,
ARTHUR H. GLANZ,
HULEN C. CALLAWAY,
WM. P. ELLIS,
Attorneys for Protestants.

PORTLAND, OREGON, *April 6, 1943.*

2205 CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in these proceedings by mailing by first-class mail a copy thereof properly addressed to each such party.

Dated at Portland, Oregon, this 6th day of April 1943.

WM. P. ELLIS,
Of Counsel for Protestants.

2206 *Plaintiffs' Exhibit 7*

Before The Interstate Commerce Commission

IN THE MATTER OF THE APPLICATION OF CONSOLIDATED FREIGHTWAYS, INC., TO EXTEND ITS OPERATIONS FROM MEDFORD, OREGON, TO SAN FRANCISCO, CALIFORNIA, AND FROM KLAMATH FALLS, OREGON, TO WEED, CALIFORNIA

Docket No. MC-42487 (Sub. Nos. 15 and 20)

APPLICANT'S REPLY TO PETITION OF CERTAIN PROTESTANTS FOR RECONSIDERATION AND FURTHER HEARING

2208 Comes now applicant, Consolidated Freightways, Inc., and respectfully submits to the Interstate Commerce Commission its reply to the petition for reconsideration and rehearing filed herein by protestants Colletti Fast Freight, Pierce Auto Freight, Pacific Truck Express, Los Angeles-Seattle Motor Express, System Freight Service, and Pacific Southwestern Railroad Association.

2209 STATEMENT

The Request for a Rehearing

The report and findings of the majority of Division 5 are based upon evidence presented in normal times (well over a year before Pearl Harbor). This evidence was carefully weighed and changes in services and conditions occurring between the closing of the hearing and the issuance of the order were fully considered. All of these changes (in services and conditions) have accentuated the need for the through services authorized by the Division's order. There is a scarcity of motor carrier service over the routes involved, and the bulk of the traffic is now being handled by joint-line services which rest on "temporary" and claimed" rights that as yet have not been determined, and which are unnecessarily wasteful of equipment and manpower. Improved service and vital savings in the use of equipment and manpower will result from the issuance of a certificate as approved by Division 5 herein. A sound conclusion has been reached. The request for rehearing is merely a delaying action. There is vital need for eliminating unnecessary waste of equipment and manpower now.

The Request for Reconsideration

The arguments of protestants in support of their petition to reconsider and reverse the findings of Division 5 are unsound
2210 because they rest wholly upon false factual foundations. The conclusions that they have arrived at as a result of assuming these untrue premises are, in the light of the real facts, fallacious. (Appendix A hereto is a partial list of the misstatements, misleading half statements and false conclusions contained in protestants' petition.)

The Dissenting Opinion

The dissenting opinion arises from a proper concern for preventing any unnecessary or even increased use of fuel, tires, equipment, parts or manpower. Applicant will show that the issuance of a certificate herein will in fact result in immediate substantial savings in the conservation of equipment and manpower, as well as in an improvement of service.

REPLY TO PROTESTANT'S POINT NO. 1

Protestants say that the findings are "in conflict with the determination of the identical issues by Division 4."

The decisions referred to are Consolidated—Purchase—Reymer, 36 M. C. C. 623, and Oregon-Nevada-California Fast Freight, Inc.—Control—Oregon Express, 38 M. C. C. 51. These two acquisition applications were denied by Division 4 (Commissioner Porter dissenting). A petition for reconsideration in MC–F–1358 (Consolidated—Purchase—Reymer) was denied by the Commission by a six-to-five vote.

2211 As noted above, the protestants represent that those Division 4 decisions were decided "solely on the issue of public convenience and necessity on which issue they were denied" and that the issues in the above-mentioned cases were "identical" with those raised in the instant application. Excerpts from their briefs filed in those cases disclose, however, that they (the protestants) did not then regard the issues as identical. They said (protestants' brief, November 22, 1940, pages 5–6, all emphasis ours):

"The Examiner and the Commission should take judicial notice of certain cases (instant case and application of Oregon-Nevada-California Fast Freight) which are now pending before it, which relate to motor carrier operations between Medford and Klamath Falls on the one hand, and San Francisco Bay District on the

other. We do *not* mean to suggest that in deciding the case at bar the Examiner or Commission *should retry or determine or prejudice the issues in any of these cases—that is neither desirable nor necessary.*

"It will be noted from the foregoing that we are *not* suggesting to the Examiner and the Commission that the issues in those cases should be determined in the instant case." (page 13)

And Division 4 accordingly did expressly reserve the issue of public convenience and necessity for determination in this case. The report said (36 M. C. C. 623, 624):

"Protestants request that we take judicial notice of the issues involved in certain proceedings now pending before Division 5 which relate to motor carrier operations over the routes in-
2212 volved in the applications considered here. * * *"

"We will take cognizance of the fact that the aforementioned applications are pending and of the authority therein sought, but obviously we may not give consideration to any evidence, not incorporated in this record, which may have been adduced in proceedings on those applications."

Immediately before the findings (p. 632), Division 4 said:

"Nothing herein contained is to be construed as prejudicing action on applicant's pending section 207 applications."

In its order in the Oregon-Nevada-California—Control—Oregon Express case (38 M. C. C. 51, 58), Division 4 said:

"We believe it necessary also to take cognizance of the circumstances discussed in our report in that case (Consolidated—Purchase—Reymer) and to recognize the pendency of applications under Section 207 filed by both Fast Freight and Consolidated. Extensive proceedings have been held in those cases. *We believe the issues present here are so related that they should not be decided affirmatively in advance of determination of those proceedings.*" [Italics supplied.]

The foregoing excerpts prove that Division 4 did not pass on the question of public convenience and necessity in deciding either of the above cases. This was expressly acknowledged by the protestants themselves in their reply to Mitchell's petition for review and reconsideration, dated June 20, 1941. They said (p. 6):
2213 "Nothing could be clearer than that the majority report of Division 4 deliberately refrained from forming or expressing any opinion with respect to these BMC–8 applications of Consolidated Freightways and O. N. C. Fast Freight. * * *"

And there is even a later expression on this point. In the reply of protestants to exceptions of the applicant to the proposed report on further hearing in O. N. C.—Control—Oregon Express (dated

April 23, 1943, or 17 days after their petition in the instant case), the same writer said (p. 23):

"In any event, since Division 4, and the examiner, have concluded that the proposal which applicants make involves questions of public convenience and necessity, which questions have not been appropriately presented herein by application for broadening of operating rights, or by evidence to sustain the need therefor, and those questions are appropriately before the Commission in Docket MC-9115, Sub. 1, already decided by Division 5 and pending on petition for reconsideration, *Division 4 can do no less than deny the application herein and allow the matter to be finally determined in the other docket.*" [Italics ours.]

REPLY TO PROTESTANTS' POINT NO. 2

When the facts are correctly presented, the second argument of the protestants becomes as shallow as the first. They state:

"The present report and order of Division 5 * * * is directly in conflict with its own determination of the identical issues. * * *"

2214 In support of this they refer (a) to the decision of the Division in the application of Oregon Express (MC-18231 Sub. 4) for authority to use, as alternate routes, the highways over which this applicant seeks to operate and (b) to a recommended order by Joint Board 5 in System Freight Service Common Carrier Application, MC-69584.

In the first of the above mentioned cases, Oregon Express, which had a certificate to operate between Portland and San Francisco via U. S. Highway 101 (the Coast route), sought authority to use as alternate routes Highway 99 and 97 (the Valley route). These routes are widely separated. The Division found that the use of these routes by Oregon Express would amount to the establishment of a new service.

Oregon Express did not support its application with any showing that public convenience and necessity required the institution of this new service and relied entirely upon a showing that it could operate more economically and with less hazard to the public over the Valley route than over the Coast route.

The Division 5 report reads:

"New service, such as proposed, only can be authorized on a substantial showing of public convenience and necessity. Applicant has *failed to make such showing*, and the application should be denied." [Italics supplied.]

Since Oregon Express did not make any attempt to prove
2215 that there was public need for the new service which it pro-

posed, there could be no finding by the Division that the public needed or did not need additional service.

Nor was the question of public convenience and necessity raised in the System Freight Service Application, MC–69584. That was a "grandfather" application and the issue was whether or not the predecessor of System Freight Service was in operation prior to the effective date of the Motor Carrier Act.

In the concluding paragraphs of their arguments under Point 2, the protestants present what they describe as a "startling summary of how the Commission and its members voted on the issue of whether public convenience and necessity requires additional through service between Portland, Oregon, and San Francisco, California, via the routes involved herein since the close of the record herein and embracing identical service."

The purpose of their summary is to show inconsistency on the part of Division 5. The summary errs in this important respect: It lists all of the "No" votes of the Commissioners in Consolidated—Purchase—Reymer, O. N. C.—Control—Oregon Express and Oregon Express Alternate Route cases as a finding by them that public convenience and necessity did not exist. As has been pointed out, the existence of public need for additional service was not involved nor determined in any of those cases.

2216 Protestants have refrained from mentioning the recent decisions of Division 5 finding public convenience and necessity for operations over this route. We refer to Los Angeles-Seattle Motor Express, Inc., Extension of Operations, 29 M. C. C. 81, decided June 14, 1941; Pete Lubetich Extension of Operations, 29 M. C. C. 665, decided July 8, 1941; A. Colletti Extension of Operations, 32 M. C. C. 363, decided March 10, 1942. All of these applications were filed within a few months of ours. All the applicants introduced evidence of a public need for through, single-line service, similar to the evidence in the instant case. All of the applications were granted by Division 5, composed of Commissioners Lee, Rogers, and Patterson.

REPLY TO PROTESTANTS' POINT NO. 3

Protestants represent under their Point 3 that "the order authorizes operations forbidden by the Office of Defense Transportation." In their argument on this point they state "that new motor carrier operations such as are authorized by the order and which duplicate existing operations are forbidden by the Office of Defense Transportation and that for the duration of the present emergency (applicant) will be unable to perform the service authorized." This statement incorrectly assumes that the O. D. T. regulations forbid the inauguration of any new service. This, of course, is

not the case. The O. D. T. orders forbid the operation of
2217 partially loaded vehicles and the carrying of traffic over circuitous routes. These orders must be obeyed by all operators regardless of the authority under which they operate. Realignments of operating rights would not necessarily help nor hinder the obeyance of O. D. T. orders. The truth is that the granting of this application will enable the making of the very economies in conservation of equipment and manpower that the O. D. T. is charged with effecting.

In further argument, protestants state that "the Commission may not in such a time authorize two through services by each of two applicants or four new additional through operations;" and, "assuming each carrier operated only one round-trip over its newly authorized routes daily, it would result in 5,548 truck miles * * * the operation of only one schedule * * * would result in a minimum of 60,000 added tire miles daily, or 18,720,000 annually." And then, in contradiction, they state at page 41: "New connections and arrangements for joint through service with interchange of equipment, * * * resulted in the establishment of through service by each of these applicants identical with that proposed herein insofar as through operation of equipment is concerned."

The facts are that as a result of the granting of this authority (a) the vehicles of the applicant will not operate as much as one additional mile over what they are now operating (in performing the present joint Consolidated-Mitchell service), (b) the service to the public will be improved, and (c) important savings in equipment and manpower will be effected.

2218 In order to understand the above statement, it is essential at this point to briefly review the history of this and related applications. Applicant and ONC were the pioneers in motor transportation between San Francisco and the Pacific Northwest. This is a matter of record in Pierce Auto Freight Lines, Inc., Common Carrier Application, 11 M. C. C. 417, wherein Division 5 (Commissioners Eastman, Lee and Rogers) said (p. 422):

"Several of the shipper witnesses preferred applicant's service because it eliminated the additional risk of damage inherent in the transfer of lading at Medford under the existing joint service provided by Consolidated Freight Lines, Incorporated, and Oregon-California Fast Freight."

And on p. 423:

"So far as advised by the present record, there is only one other through daily truck service between those points and that is provided by an interchange of traffic at Medford."

That joint ONC-Consolidated service, to use protestants' own expression (p. 31 of petition), "built up during the period of eleven years during which the joint service was given, a greater volume of tonnage than all the through services combined."

Prior to the "grandfather" date some through single-line services were started by the predecessors of Pacific Truck Express and Oregon Express and by O. J. Mitchell but they were not regularly scheduled operations. After the Act became effective the
2219 Commission heard and approved the section 207 applications of Pierce Auto Freight Lines, Inc., Los Angeles-Seattle Motor Express, Coletti Fast Freight, and Lubetich. (Colletti and Lubetich rights were limited as to commodities and Los Angeles-Seattle as to intermediate points.) All of these later cases were approved upon a finding that the ONC-Consolidated joint service was inadequate, not because of any lack of equipment but because it was not a single-line service. The Commission decision in Pierce's case, 30 M. C. C. 629, noted, at page 637, that they had capacity for more tonnage. Division 5 in Los Angeles-Seattle case, 29 M. C. C. 81, noted the contention of ONC and Consolidated "that they have sufficient equipment available to meet the requirements of the public. However, protestants are not in a position to render single-line service * * *" (p. 89). The decisions in the Lubetich and Colletti cases contain similar expressions.

Knowing the difficulties that were inherent to the operation of a joint service and realizing that the through services would in time command most of the traffic and relegate it to the position of a local carrier between Portland, on the one hand, and, on the other, Medford and Klamath Falls, and wishing to retain the business it had pioneered, applicant filed its application to extend from Medford and Klamath Falls to San Francisco, and O. N. C. filed an application to extend from Medford and Klamath Falls to Portland.

At about the time of the hearings at Portland on these ex-
2220 tension cases, ONC acquired control of Pacific Seaboard Motor Lines, Inc. (predecessor to Oregon Express) and established a new joint service (ONC-Pacific Seaboard) between San Francisco and Portland.

This left applicant without a connection south of Medford. Thereupon applicant applied to the Commission for authority to lease and purchase the operating rights of Mitchell. Temporary lease authority was granted for a period of 180 days and, just prior to the termination of the lease, Division 4 denied applicant authority to purchase Mitchell. Thereupon Mitchell resumed his Portland-San Francisco operations and joined with the applicant in the establishment of a joint service between San Francisco and

western Oregon-Washington points, interchanging at Medford. Later Mitchell obtained temporary authority to operate between Weed and Klamath Falls, and thereupon a joint Consolidated-Mitchell service was established between San Francisco and eastern Oregon-Washington points, interchanging at Klamath Falls.

These joint operations (both via Medford and Klamath Falls) were made possible by applicant leasing its vehicles to Mitchell. If the instant application is granted, Mitchell will continue his present operation with his own equipment between San Francisco and Portland (if he receives final authority), and the present joint Consolidated-Mitchell operation from San Francisco to western Oregon-Washington points, via Medford, and to eastern
2221 Oregon-Washington points, via Klamath Falls, will be continued as a through operation by applicant. Applicant's vehicles will operate the same mileage over the same routes, but they will be operated and serviced by applicant's own trained employees instead of Mitchell's. It has been recognized many times that an owner's own drivers and mechanics will take better care of his equipment than will persons not answerable to him as employees. In addition to the vital conservation of equipment which will result from the issuance of a certificate to this applicant, numerous duplications of work by the accounting and supervisory staffs of the two companies will be eliminated.

REPLY TO PROTESTANTS' POINT NO. 4

For their fourth point, protestants say (p. 18):

"The order approves service contemplating highway speeds substantially in excess of those permitted by O. D. T."

This is a completely untrue statement. The order considers all the contentions of both protestants and applicant with unusual thoroughness (Sheets 4, 5, 6, 7, 15, and 16) and finds that the proposed schedules to Seattle, Spokane, and Portland call for average speeds of 26, 26, and 28 miles per hour respectively, which are well within O. D. T. regulations.

What protestants have done here is to assume as a fact
2222 that a speed of 52½ miles per hour (the unsupported testimony of one of their witnesses) is necessary in order to operate on these schedules and then base all their arguments upon this false assumption. The witness who offered this fantastic figure is the same Mr. Pierce who determined that if Consolidated operated the service it would lose $936.75 a day (Tr. O. C. 2106). These computations were shown upon cross-examination to rest entirely upon false premises. Soon after the hearing applicant began operating between San Francisco and Portland on a lease

of Mitchell's operation. The proposed schedules were easily maintained and the operations were found profitable. The legal limit for trucks in California is 40 miles per hour. Exhibits 46 and 47 are summaries of trip logs of protestant Pierce's own operations between San Francisco and Portland and show an average running time of 24 hours 15 minutes south-bound and 25 hours north-bound, which is faster than the running time applicant proposed. The schedules to Spokane and Seattle were not questioned by protestants. They are the important ones as they result in a 24-hour better service to these points. They are made possible by the operation of through schedules over shorter routes (the route to Spokane is 140 miles shorter).

Throughout their arguments on Point 4, protestants assume an average speed "in excess of 50 miles per hour" and make a play on the term "hot-shot," intending to convey the impression that "hot-shot" schedules are operated at excessive speeds. The evidence shows that applicant's trucks are uniformly governed
2223 to a top speed of 45 miles per hour (applicant has been a consistent winner of National Safety Council Awards). A "hot-shot" schedule was defined by applicant as "one which goes through to some fixed destination without stopping at all points served en route * * * it may serve between one point and only three or four destinations. Its highway speed is no faster than a local."

The proposed schedules are now maintained by the joint Mitchell-Consolidated operations, and there have been no substantial changes in them because of O. D. T. regulations except that certain points formerly scheduled to receive first-afternoon delivery are now receiving second-morning delivery.

REPLY TO PROTESTANTS' POINT NO. 5

Under this point, protestants complain because "two separate and distinct records have been improperly considered as one."

There can be no valid objection to deciding two applications in one report and order. The Commission has frequently done this and it is common practice in the United States Supreme Court.

For instance in the License Cases, 5 Howard (46 U. S.) 504, 5, the one report decides three cases brought by three different plaintiffs against three different defendants. They were all argued by different counsel. Mr. Chief Justice Taney and Justices
2224 Daniel, Woodbury, and Grier wrote one opinion on the three cases. Mr. Justice Catron gave two opinions on two of the cases, and Mr. Justice McLean gave three separate opinions.

In Manufacturers Railway Company and St. Louis Southwestern Railway Company v. United States and Interstate Commerce

Commission; Manufacturers Railway Company and Anheuser-Busch Brewing Association v. United States and Interstate Commerce Commission, 246 U. S. 457, 460, the Court said: "These are appeals from final decrees made by the District Court in two cases dismissing petitions filed by appellants for the purpose of enjoining enforcement of orders made by the Interstate Commerce Commission. The cases are closely related to each other, were argued at the same time, and will be disposed of in a single opinion."

The Division's report logically deals separately with the two applicants under the headings "Authority Sought," "Applicants' Present Service," and then it covers the inter-related background history applicable to both cases (including reference to O. N. C.'s acquisition of Pacific Seaboard Motor Lines, Inc., in August 1940, Consolidated's application to lease Mitchell filed September 21, 1940). Following this, under the heading "Service Proposed," it covers first applicant's and then O. N. C.'s proposed schedules.

Under "Shipper Witnesses" a general statement is made as
2225 to the number of public witnesses called in both cases.

"Protestant's Service" is considered carefully and analyzed in detail. The rest of the report has been prepared with equal care. The report considers in surprising detail every point which applicants or the protestants advanced. It covers the 3992 pages of transcript in a manner which leaves no possible doubt that all of the testimony was carefully and separately weighed.

REPLY TO PROTESTANTS' POINT NO. 6

Under this point the argument is titled "the Division erroneously concluded that the granting of one application requires the granting of both." Here protestants quote only a portion of the paragraph in the Division's report which explains why the Division has concluded to grant both applications. The Division said (sheet 23):

"As seen, Consolidated and O. N. C. transport the bulk of the traffic between San Francisco and Portland. For reasons which are obvious, authority should be either granted or denied to both applicants to operate over the valley route."

The italicized first sentence accounts for the Division's conclusion. It was omitted in protestants' quotation.

We have hereinbefore outlined the history of the joint O. N. C.-Consolidated service and the developments that required
2226 them to improve that service. Division 5 had held in granting protestant Pierce's application (and later in granting protestant Los Angeles-Seattle's application) that the joint

O. N. C.-Consolidated service was not meeting public needs. (It was so found again by Division 5 in the instant case.) The testimony in this case showed the improvements in service and the economies that could be made by each applicant transporting half of the traffic through to destination instead of transporting all the traffic to a half-way point and there transferring it to the other. Each was prepared to handle half the traffic that they were then jointly handling. Under these circumstances, what could be more obvious, logical and fair than that both carriers be permitted to meet the needs of their shippers for an improved service which each of them was already prepared to render. To grant authority to one applicant and deny it to the other would cripple one and overtax the facilities of the other.

At this point it is well to again point out that protestants in their petition are deliberately trying to mislead by repeating over and over the statement that four new services will result from the Division's order. This statement is misleading in that it implies that the new services will be in addition to all the present services including the joint services. This is not the case because the through services will merely replace existing joint services. The trucks will not be required to operate one additional mile.

2227 REPLY TO PROTESTANTS' POINT NO. 7

This portion of protestants' arguments urges "that there was an irreconcilable quarrel between applicant and O. N. C."

Even if that were true, it would not be pertinent. The fact that the applicant and O. N. C. disagreed as to whether or not their joint service could be improved sufficiently to make it satisfactory to their shippers did not amount to an irreconcilable quarrel. There was nothing in the conduct of either applicant which should deprive it of the right to stand before the Commission on equal footing with any other applicant. They are not (as has been inferred) endeavoring to "invade each other's territory.". They are endeavoring to adjust their services to better serve a large clientele, which had entrusted shipments to them over a long period of time. They are the joint pioneers. Protestants who entered this particular field much later are the "invaders" (if that term is ever applicable in these situations). These irresponsible statements of protestants are only intended to arouse a prejudice against applicants in order to keep them in a disadvantageous competitive position.

The Division's report has already nicely disposed of protestants' attempt to exploit this incident. It says (Sheet 23):

"Certainly any motor carrier may file an application un-
2228 der Section 207 (a) of the act and the issues would be, as in

these proceedings, whether the proposed service will serve a useful public purpose, responsive to a public demand or need; whether this purpose can and will be served as well by existing carriers; and whether it can be served by an applicant with the new operation or service proposed without endangering or impairing the operations of existing carriers contrary to the public interest."

By taking exception to this logical and fair-minded expression, protestants are urging that applicant should not receive the same justice that they received and to which any other applicant would be entitled.

Under this point they say further that the showing made was almost entirely as to the controversy between the two applicants and their difference of opinion as to how interchange traffic could best be handled etc. This is not a correct statement. It was necessary that the Commission be fully informed as to existing services, and a sufficient amount of testimony was devoted to a description of the joint-line service of applicants, because at that time this service was handling a majority of the traffic and was, therefore, the most important service to be considered. But the greater part of the record was devoted to showing the need for improved service by the testimony of shipper witnesses. Elsewhere protestants admit this. On page 22 they say that 'shipper' testimony constituted by far the greater part of the record in each case." The record of course, will speak for itself.

Protestants next say that the difficulties between
2229 the two applicants were the basis for granting the application. There is nothing in the report that suggests that the inability of connecting carriers to agree, of itself, proves public convenience and necessity. It would be an illogical finding. The Division 5 report does cover very carefully the many reasons why the two lines could not interchange equipment and otherwise eliminate the disadvantages inherent in a joint-line operation. In their own section 207 cases protestants pointed to this joint service as being inadequate, not because there were not enough vehicles or adequate terminals or properly trained employees but because it was a joint service involving a rehandling of freight at the halfway point, and the Commission found it inadequate for that reason.

On page 31 protestants claim that no showing was made of the inadequacy other than the joint service; that is, no showing was made of the inadequacy of the through service. Appendix C of the report of Division 5 is a perfect answer to the protestants. It shows present service available by all existing carriers and compares this service with the service which applicant proposes.

This comparison shows the extent to which the services would be improved by the granting of the application. It is based on uncontradicted evidence. Protestants did not say they could equal applicant's proposals or that they would even try.

2230 REPLY TO PROTESTANTS' POINT NO. 8

Under Point 8 protestants urge that "the report is not supported by any finding of inadequacy of the service of other carriers." A finding that public convenience and necessity requires a proposed service is of itself a finding that existing services are inadequate. Otherwise, there would be no necessity for the proposed service. For this reason alone the petitioners' contention is without merit.

Protestants may not complain that careful consideration was not given such evidence as they introduced to show the adequacy of their services. Beginning at sheet 7 the report analyzes in detail the service and contentions of each protestant. This study covers seven pages and is supplemented by Exhibit C. The report and exhibit sets forth the proposed service and the public expression of the need for it and compares this (proposed) service with the protestants' services. The inadequacy of protestants' services was apparent. No clearer finding of inadequacy could have been made.

At page 33 petitioners hopefully suggest that the Commission rely upon the chart which they inserted in their brief to the Joint Board as a true analysis of shipper testimony. In our exceptions to the proposed report we exposed that chart as an astounding untruth (pp. 3 to 34), and there is no doubt that Division 5 determined not to permit an interested party in the pro-
2231 ceedings to analyze and weigh the evidence for it. It wisely examined and weighed the primary evidence itself.

On the following page (page 34) the protestants lean on the findings of the Examiner who prepared the original proposed report. In our exceptions we pointed to evidence that the Examiner, in writing this recommended order, had been misled by the above-mentioned chart. Where protestants forgot to include certain witnesses' testimony in their chart, he forgot the same ones. This indicated that the Examiner (who did not hear applicant's public witnesses) had relied blindly upon the protestants' analysis of their testimony. Both the Examiner and Division 5 found as a fact that 170 cities and communities would receive, under the proposal of applicant, 24-hour faster service than was available by any other means of freight transportation.

Protestants did not question that the service to those points would be a full day faster than any other service. They made no

pretense of being able or willing to equal it, and even the Examiner's report did not find that they could or would even try to match our proposal.

REPLY TO PROTESTANTS' POINT NO. 9

Protestants next say: "The report is not supported by
2232 any finding that the granting of the application would not impair existing carriers." The complaint here is that the report did not include affirmative findings that the granting of the applications will not impair existing carriers. This is a novel proposition for which no authority is cited. The fact is that (as in the case of inadequacy), the ultimate finding of public convenience and necessity embraces the conclusion (which does not have to be specifically stated) that the benefits given to the public by the granting of the application will not be offset by a corresponding impairment of services already existing.

It is sufficient that the report carefully considered protestants' claims that impairment would result. That has been done by Division 5 herein, as evidenced by the following passage from the report quoted upon page 38 of the petition.

"Certainly there is no evidence of any impairment of existing services if Consolidated is authorized to extend its routes southward from Klamath Falls, as there is now no service, through or joint, between points in central and eastern Oregon and Washington over the proposed routes."

The statement at page 39 that "by failing to find affirmatively that there would be no impairment, the Division admits that there is no evidence on this point" is erroneous and misleading. There is an abundance of evidence conclusively showing that the volume of traffic moving betwe'n San Francisco and northwestern points
2233 was increasing rapidly because of interruption of the steamship service and because of the establishment of new factories and new businesses in this area. It was also shown, with respect to most of these carriers, that they had made no attempt to take care of this business and that, therefore, the traffic that they handled between San Francisco and northwestern points represented a very small proportion of their total traffic, their principal operations being to and from Los Angeles. All of this evidence was introduced to prove that the granting of the application would not impair protestants' ability to serve.

As a straight legal proposition we do not go along with these protestants on their assertion that the burden is upon the applicant to show that the protestants would not be impaired. No witness can be qualified to show what effect the proposed service would have on a protestant without first having studied the records

of that protestant. These records lie entirely in possession of the protestants. The statute provides that all competing carriers will receive notice and have the right to protest, and this procedure enables such carrriers to make their own showing of the effect of the proposed services upon their ability to continue to serve the public. The Commission's cases reflect this and it is generally held that a mere showing by competing motor carriers that they would be adversely affected, is not enough; they must go further and show that their ability to continue adequately serving the public would be impaired. Even that would not justify a denial. It must be shown that the impairment, if any, would be contrary to the public interest.

2234 Protestants do not seriously contend at any point that they will be impaired. Their petition, taken by its four corners, argues that they would not be. First they say that both applicants have, since the hearings, by means of leasing equipment to their connecting carriers, established through services "identical with that proposed herein" (p. 41). Then they show (pages 52–3) the enlargement of their own operations in the face of this competition. Los Angeles-Seattle has increased its equipment 22%; Colletti, 112%; System, 275%; Pierce, 27%; Mitchell (for his own through San Francisco-Portland service), 267%. They say that for these five carriers "there has been nearly a 100% increase in number of units operated."

REPLY TO PROTESTANTS' POINT NO. 10

"The finding of the ability of applicants to perform the proposed service violates the rule that the burden of proof is upon the applicant."

The protestants' complaint under this point is that the finding of the Division does not indicate that the burden of proof of the ability of the applicant to perform the proposed service was placed upon the applicant. The record shows that applicant assumed the burden of proving its ability to perform the proposed service and the Division found for it in the following language: "That applicant is fit, willing and able to perform such service." This finding was made as a result of extensive evidence presented by applicant.

2235 In the course of the hearing protestants challenged applicant's business judgment in undertaking the new operation and attempted to show that it would result in a future financial loss. Such evidence as was produced in support of their contentions was purely speculative and of little probative value as it was based on the assumption that the extension would result in unbalancing the hauls of the applicant. In commenting on this feature

of the testimony, the Division stated "we are of the opinion that we should give applicants the benefit of any doubts that may exist as to whether they could operate successfully over the routes authorized herein." Protestants object to this statement on the ground that it indicates that the Division did not place the burden of proof upon the applicant to prove its ability to render the proposed service. This is not true. As pointed out above, applicant was required to prove its financial ability. The statement merely indicates the Division's refusal to speculate on the ability of the applicant to make a profit out of the proposed operations. In essence, the Division wisely stated that it would not substitute its judgment for the judgment of the applicant as to whether or not the proposed operations would be financially successful.

REPLY TO PROTESTANTS' POINT NO. 11

Protestants' argument under this point is devoted mainly
2236 to the request for a rehearing, although several of the points previously covered by them are again raised. Our reply under this hearing will be confined entirely to their arguments for a rehearing.

The caption which they have given this subject is: "Because the record is stale the facts found are entirely untrue." A proposal to prove that some of the facts found by the Division in its order are now untrue is not a sufficient reason for granting a rehearing. The justification for a rehearing is a showing that the facts are so changed that they would justify a different result. Protestants have specifically set forth the changed facts on which they rely but have made no attempt whatever to prove that consideration of these changes would lead to a different decision. We agree with them that our record was made in normal times. Had there since occurred a depression (which was the situation in A. T. & S. F. Ry. Co. v. U. S., cited by protestants) resulting in a lesser need for common-carrier service, there conceivably might be good grounds for further hearing, but in this case the exact opposite is true. As we have hereinbefore pointed out, protestants in their petition admit this. Where four schedules were proposed by applicant, ten to thirteen are now being operated in connection with Mitchell (in addition to Mitchell's own daily through single-line service between San Francisco and Portland). In the face of this competition they have enjoyed phenomenal growth (petition pp. 44, 52, 53). In Appendix "B," hereto, we have shown the revenues earned over a period of years by Los Angeles-
2237 Seattle and System on traffic moving between the San Francisco Bay area and points in California north thereof, in-

cluding Sacramento, on the one hand, and, on the other, points north of the California-Oregon boundary. This is taken from the sworn reports of those carriers to the Oregon Public Utilities Commissioner, and completely establishes the fact that proof of today's transportation picture would not change the result reached by Division 5.

Under the heading, "Applicant's Present Service," protestants endeavor to convince the Commission that the connection problems of O. N. C. and Consolidated are permanently solved. It is true that at present applicant is engaged in rendering a joint-line service with Mitchell. (This change was noted in report of Division 5.) That service is better than the former joint-line service with O. N. C. inasmuch as there is a complete interchange of equipment between Mitchell and applicant, through billing is in effect, and service is rendered between California points and eastern Oregon-Washington points via Klamath Falls, making it possible to give second-morning delivery on shipments transported between points in California and points in eastern Oregon and all of Washington (instead of the third-morning service afforded under the old arrangement). The present joint-line service is handling a greatly increased volume of traffic which is well balanced as to direction of movement. In these respects, the present joint-line service is convincing proof of the appli-
2238 cant's contentions that the proposed expedited service was practical, and that there was sufficient available traffic to justify the increased schedule and balance the hauls.

The present Mitchell-Consolidated connection, however, does not equal a through, single-line service. We have pointed out that applicant must turn its equipment over to Mitchell's drivers and that greater conservation of that equipment could be expected if it were at all times under applicant's control and in charge of men answerable to applicant. We have also pointed out that expensive duplication of accounting and supervisory work is an inherent feature of the joint operation. Revenues must be apportioned upon thousands and thousands of shipments. Loss and damage claims must be prorated between the carriers when responsibility cannot be established, and many of the other defects inherent in a joint service remain.

It is not the type of service for which the shipper witnesses expressed a need.

These same protestants, who here would persuade the Commission that the continuance of this Mitchell-Consolidated joint-line service is assured for the future and is entirely satisfactory, are contending with equal vehemence that Mitchell has no "grandfather" rights because his proof was based on "false grounds and perjured evidence" (protestants' brief of Jan. 21, 1941, MC-35525,

page 227). In Mitchell's section 207 application they say that he is "neither fit nor able to perform the service" (protestants'
2239 brief of Dec. 10, 1942, MC–35525, Sub. 6, page 93).

In their petition herein, dated April 6, 1943, they suggest that O. N. C. is assured of a satisfactory connection in Oregon Express. Yet, in their brief of April 23, 1943, in the further hearing of O. N. C.—Control—Oregon Express (pp. 9 to 19), they enthusiastically adopt Examiner Raley's findings that, because of an underlying lack of authority in the certificate acquired by Oregon Express, that company cannot lawfully serve as a connection for O. N. C., and they cite ten cases to support that conclusion.

Mitchell is operating upon a claim of "grandfather" rights which has been denied by Division 5 and is pending upon petition to the Commission. He has temporary authority to interchange traffic with applicant at Klamath Falls (which makes possible, temporarily, the 24-hour better service for which Division 5 found a public need). This temporary authority has been extended from time to time along with the effective date of the denial of his "grandfather" case.

If the Division 5 denial of Mitchell's grandfather claim is sustained by the Commission, then the joint-line service must be terminated. To provide for this contingency Mitchell filed a section 207 application which is presently pending before Division 5. It was filed March 10, 1942. Even should Mitchell succeed in one of these applications he would not be a satisfactory connection be-
cause such a decision would give him authority to operate
2240 over the entire route from San Francisco to Portland (Mitchell's brother has recently acquired operating authority between Portland and Seattle); and, in conducting a joint-line operation with applicant, Mitchell would be short-hauling himself by interchanging with the applicant at Medford. He is content to do this as long as he is not able to furnish the equipment needed to handle the traffic all the way to Portland (or Seattle); but, through his connection with applicant, he is gaining financial strength (a favorable decision would add to it), and it would probably be only a short time until he would be unwilling to continue the present arrangement of interchanging traffic with applicant at Medford.

Even the arrangement to interchange equipment is unstable. Mitchell is now developing a fleet of tractors and semitrailers, whereas applicant operates trucks and trailers. This difference in type of equipment will prevent interchange when Mitchell is able to provide his own equipment. Applicant has a large fleet of truck-and-trailer combinations and cannot conform to Mitchell's standards. The present relaxation of Oregon's weight and length laws is only temporary. With the end of the war, the same old

barriers will again be there and the Division 5 findings herein, with respect to such disadvantages will be entirely appropriate.

The shippers made clear their need for a permanently established through service—a single responsibility—a service that
2241 would be regulated in all of its aspects by the Commission itself as opposed to a joint service that might be disrupted at the will of either of the parties thereto. Knowing that the joint-line service is unstable, applicant cannot undertake the financial risk of providing better facilities.

Thus, while there has been a change in the present service of applicant, as alleged by protestants, nevertheless, the changed service is temporary, unstable, and does not meet the expressed need for a permanent, reliable single-line service which will serve the entire area.

Protestants reassert in this petition for further hearing that O. D. T. orders make the proposed schedules impractical. We have covered this point under Point 4. The present joint-line service is now operating on the proposed schedules and observing O. D. T. speed regulations. All the points that were to receive second-morning service instead of third-morning service are receiving it. This is evidence enough that the proposed schedules are practical.

Next, protestants imply that the shipper witnesses who testified are not now in need of the proposed services. They say (p. 50):

"Many of them are doubtless in military service—others out of business and no doubt some of them deceased. It is certain that those remaining in business are not doing business as usual or making the shipments testified to at the time of the hearing."

2242 This irresponsible statement implies that there has been a lessoning of business activity in this area. The fact is that the population in this particular area has increased well over 25%, and most of the businesses represented by these witnesses are experiencing an even greater need for the transportation improvements which applicant proposed. The shipper witnesses represented wholesale and retail firms in almost every line of business; and, while there have been curtailments in the consumption of certain products, there has been a more than offsetting increase in the demand for other products. In addition, the Commission well knows the increased use that the armed service is making of the trucking facilities. The increase in business activity is evidenced by the fact that the Mitchell-Consolidated joint service is now operating ten to thirteen trips each way daily, whereas only four were proposed at the hearing.

It is obvious that any opening up of the records for the purpose of hearing additional shipper testimony could only result in the showing of an increased demand for the proposed services.

Protestants next argue (pp. 50–55) that their services have improved since the hearing herein. If this statement were true, it would not be a sound argument for opening the case and admitting evidence on this point. It is a fundamental concept and the Commission has rightly held that, after an applicant has shown that the existing services were unsatisfactory
2243 and that convenience and necessity existed for additional service, it is too late for those who had given an unsatisfactory service to urge that, between the date of the hearing that established the necessity for additional service and the time it was inaugurated, they had so improved their own service that the new service became unnecessary.

But we do not concede that other services have become proportionately more adequate. While protestants represent (p. 51) that there are twelve "regular transportation services" and "irregular-route carriers serving the territory, too numerous to mention," the record and the Division 5 report shows only the following motor carriers authorized to transport or transporting general commodities between the San Francisco Bay area and points north of Medford, Oregon.

1. Los Angeles-Seattle Motor Express. Under its "grandfather" certificate it was authorized to transport general commodities between Los Angeles and Seattle, serving Medford and Portland as intermediate points restricted to traffic originating at Los Angeles. Service to intermediate points in California was restricted to traffic originating at Seattle. In its extension case (29 M. C. C. 81, 92) it received additional authority to transport general commodities north-bound from the San Francisco Bay area, Sacramento and Redding to the points of Medford,
2244 Roseburg, Eugene, Salem, Portland, Vancouver, Centralia, Tacoma, and Seattle. South-bound, from the above named specific points it can serve South San Francisco, Albany, Alameda, El Cerrito, and Richmond, as off-route points, but not San Francisco nor Oakland.

Of this company's total business in the month of August 1940, only about 3% moved between the San Francisco Bay area and Portland, and less than one-fifth of one percent to or from points south of Portland. (Tr. OC 2014.) The bulk of its business is still between its extreme termini of Los Angeles and Seattle. It does not render a single-line service to many intermediate points between Seattle and Medford nor to the numerous cities and towns in eastern Oregon and Washington.

2. System Freight Service (successor to Cascade Fast Freight) operates between Portland and Los Angeles and, as found by Division 5 (sheet 10), at the time of the hearing 87.4% of its traffic moved to or from Los Angeles. System's service to San Francisco

is based upon "grandfather" claims which have been denied by Joint Board No. 5 but are pending on exceptions to Division 5. It is also an applicant in a section 207 case which is now pending on exceptions to Division 5.

At the time of the hearing herein Cascade owned three line-haul units and leased five (Tr. 1510). These operated through between Los Angeles and Portland. Protestants represent
2245 (p. 53) that it now operates 30 units in this service but it cannot be determined how much of this increase has been due to the merger with System (36 M. C. C. 601). This carrier had only one employee in the San Francisco Bay district (a solicitor) and operated no pick-up and delivery equipment. (1508–9.) It carried no telephone listing at any city between San Francisco and Portland. Unless Division 5 either sustains its "grandfather" claims or its pending public convenience and necessity case, its operation will be stopped for lack of authority.

3. Pierce Auto Freight Co., Inc., operates a daily service between San Francisco and Portland and all intermediate points. The Division 5 report (sheets 10 and 24) sums up the fact that Pierce did not increase his weekly service to daily "until after the filing of these applications and but a few weeks prior to the hearings herein." The record shows that Valley Motor Lines was acting as agent for him in California; that Pierce had no representation in the San Francisco Bay area other than Valley Motor Lines. (OC 2350–1.) Protestants say in their brief in the Mitchell section 207 case (p. 91) that Valley Motor Lines now has an option on Pierce's operations between Medford and San Francisco. The record in the instant case shows that he leased equipment from Valley Motor Lines to start his daily service. (OC 2334.) His principal operations are between Portland and Medford and most, if not all, of his 18 road units were operated between those points. In their petition (p. 53) protestants
2246 say that he now has 23 units and has doubled his service to California. Doubled service to California means two schedules daily. The 23 units are still principally occupied in the local Portland-Medford service.

The record shows beyond a doubt that Pierce's heart has never been in his San Francisco service. From the very beginning he has been unwilling to make the financial investments necessary to render the type of service that he received authority to establish. He always operated the San Francisco schedules as two locals, laying over all day at Medford. (OC 2155.) He has applied for and received authority to lease his rights south of Medford to Valley Motor Lines. That will convert the only authorized single-line operation serving in both directions between San Francisco

and Portland and all intermediate points into a two-line service. This protestant's attitude from the time that he received authority for the through service has been negative. It has been the attitude of a man who has staked out a claim, proved up on it, and then refused to work it because of an apparent desire to sell it at a profit.

4. O. J. Mitchell's operations have been covered in detail under point No. 3. His daily through single-line San Francisco-Portland operations are being conducted under claim of "grandfather" rights and he, like System, has a public convenience and necessity case pending.

2247 These four motor carriers (Los Angeles-Seattle, System, Pierce and Mitchell) are the only ones actually pretending to render a single-line general-commodity service between the San Francisco Bay area and Portland and Seattle (and Los Angeles-Seattle cannot serve San Francisco and Oakland in the transportation of general commodities south-bound).

The rest of the operations are strictly limited. The Division 5 report herein points out (sheet 9) that Colletti serves San Francisco south-bound only in the transportation of dairy products, poultry, fresh, frozen or canned fruits, vegetables, and fish in lots of 5,000 lbs. or more. The Lubetich certificate authorizes only the transportation of "commodities requiring refrigeration" between Seattle and Los Angeles, serving the intermediate points of San Francisco, Sacramento, Medford, and Portland (but not Oakland or any other intermediate California or Oregon point). Lubetich's certificate has been transferred to one Pacific Coast Motor Freight, according to the Division 5 report (sheet 11). Pacific Truck Express is no longer a through truck service. It has been acquired by the Southern Pacific Company and its operations are now purely auxiliary to the rail schedules. (Division 5 report, sheet 11.)

There is no evidence in the record that there are any irregular-route haulers authorized to transport general commodities between these points and we do not believe that there are any. At

2248 page 51 of their petition protestants say "but the above list of *eleven regular transportation services is not complete.* To this list must be added Seaboard Motor Freight (now Oregon Express) with operating rights between Portland and Los Angeles via U. S. 99 to Grants Pass, thence via U. S. 199 and U. S. 101 to San Francisco and Los Angeles, making twelve in all." [Italics added.]

Seventeen days later (April 23, 1943) in their reply to applicant's exceptions in O. N. C.—Control—Oregon Express, MC–F–1411, they say of Oregon Express:

"The route via 101 has since been abandoned in that no service had been rendered thereover for several months prior to the rehearing."

We think that protestants' latest representation to the Commission is correct and that Oregon Express is not now a "regular transportation service" between Portland and San Francisco, it operations being confined to serving as a connection for O. N. C. between Medford-Klamath Falls and Portland.

The record herein shows and the protestants concede that O. N. C. and Consolidated were the joint pioneers of motor-carrier transportation between San Francisco and the Pacific Northwest, and that the present O. N. C.-Oregon Express and Consolidated-Mitchell joint services still handle the preponderance of the tonnage. There are only four other motor carrier services. One of those has authority which prevents service south-bound to San Francisco and Oakland and does not permit service to all
2249. Intermediate points north-bound. Two are awaiting a favorable decision upon either their "grandfather" claims or their public convenience and necessity cases, and the fourth one has never operated as a through carrier and has asked authority to lease out his Medford-San Francisco rights.

Since the hearing there has been a net decrease in the operating authority outstanding and a very substantial increase in the public need for the service proposed herein.

Lastly, under Point No. 11, protestants urge that the need for refrigerator services was greatly overemphasized. As to this point protestants say "without conceding that the record herein establishes any deficiency in refrigerated service even at the time of the hearing, we do say that present needs are more than adequately met; indeed, in this emergency, we are somewhat reluctant to admit the extent to which we have over-supplied mechanically refrigerated units". It is applicant's judgment, based on the experience of being called upon to furnish refrigerator service, that the demand for such service has increased instead of decreased. Since under present conditions additional mechanical refrigerator units are hard to obtain, applicant is now removing refrigerator units from eastern equipment and installing it on western equipment on its coast runs in an attempt to keep abreast of the increased demand.

2250 CONCLUSION

The protestants' petition has been particularly difficult to deal with because of the many misrepresentations and immoderation in argument. Such a petition, taken at face value,

can be persuasive and result in an error. Applicant urges that the Commission relentlessly check the accuracy of all statements. The report and order of Division 5 is sound and is based upon the evidence and should be affirmed. No competent showing has been made that changed conditions make the order illogical or inconsistent, as contended by protestants. On the contrary, present conditions require that the certificate should be issued at the earliest possible date. The petition for rehearing should be denied.

Respectfully submitted.

DONALD A. SCHAFER,
C. E. HOLBROOK,
Attorneys for Applicant.

2251 APPENDIX "A"

Our reply directly meets the major false premises upon which most of protestants' arguments are founded and we will not unduly expand upon them here. There are contained in protestants' petition, however, numerous other misstatements, misleading half-statements and patently false conclusions which have not been treated in our reply but which are too glaring to allow to pass unchallenged. We have attempted to detail these in the following listing, avoiding repetitions as much as possible. Pages 1 to 7 inclusive of the petition merely purport to be a summary of the points upon which protestants rely. Our analysis begins with their brief in support of the petition at page 8.

1. (P. 8) Protestants Point No. 1 is captioned: "The decision is in conflict with the determination of the identical issues by Division 4."

"This is false in two particulars. First: In our reply to this Point 1 we have shown that Division 4 expressly reserved the question of public convenience and necessity for determination in the instant case so the issue decided was not identical; Second: The Division 5 finding herein in no way conflicts with the determination of the acquisition cases by Division 4.

2. Protestants represent (p. 8) that the Reymers and Mitchell acquisition cases are later records.

2252 This is false. The Reymers and Mitchell purchase cases are not later records. The Division 4 record in Reymers purchase and Mitchell purchase was on hearings held Oct. 21, 22, and 23, 1940. Record of present case was of hearings held July 8, 9, 10, 22, 23, August 8, 9, 10, Oct. 15, 16, 17, 18, 19, 31, 1940.

3. On page 8 protestants state that the issues in the Reymers and Mitchell acquisition cases were identical and that those cases

were decided "solely on the issue of public convenience and necessity on which issue they were denied."

This is false in two particulars. The issues in the Reymers and Mitchell cases were not identical and they were not decided solely on the question of public convenience and necessity. The denial rested upon other grounds. The Reymers case was denied because the purchase agreement provided for a long-term lease of Reymers' equipment which Division 4 found objectionable. The Mitchell decision recited "in addition to the foregoing, considering the doubtful validity of Mitchell's operating rights, the condition of his equipment, and his past earning record, we are of the opinion that the expenditures which would be required of applicant are not justified."

4. At age 8 protestants say that "each of the two applicants, as the hearings in their respective convenience and necessity
2253 proceedings approached a conclusion, apparently became doubtful that their applications would be granted. Each, therefore, started negotiations to lease or purchase operating rights of existing carriers."

This is false. Consolidated's attempt to lease or purchase Mitchell was compelled by the necessity of having a connection for the California business which it had developed over a period of more than ten years. The Division's report shows (sheet 4) that O. N. C. acquired control of Pacific Seaboard Motor Lines (predecessor of Oregon Express) in August 1940, and that Consolidated's application to lease Mitchell was not filed until Sept. 21, 1940. (The temporary lease authority was not granted until Oct. 28, 1940.)

5. At page 9 of the petition protestants state that the Division 4 decisions in the aforementioned acquisition cases were approved by the entire Commission.

This is false. The vote to deny reconsideration was 6 to 5.

6. Protestants represent (p. 10) that the decision of Division 4 in O. N. C.—Control—Oregon Express, was "an adverse determination of the question of public convenience and necessity which Division 5 must not be permitted to nullify."

This is false. As has been shown in our reply, Division 4 expressly reserved the question of public convenience and ne-
2254 cessity for determination in these section 207 cases.

7. At page 10 protestants say that the Division 4 decision in the Reymers and Mitchell cases "was concurred in by all three members."

This is false. Commissioner Porter dissented. (36 M. C. C. 632–3)

8. At pages 11 and 12 under Point No. 2 protestants represent

that the issue in the Oregon Express alternate route case, MC-18231, Sub. No. 4, was "identical" to the issues in the instant application.

This is entirely false, as has been shown by our reply to Point No. 2.

9. On page 12 protestants represent that Division 5 found "that existing carriers are in a position to handle additional traffic and able to add more equipment as the traffic requires it."

This is false. While the Division's report did relate the evidence offered by protestants along that line, the finding was as follows: "On the present record there can be no finding that there is any inadequacy of transportation facilities over the proposed routes."

10. In the second paragraph, page 12, protestants represent that the Commission in deciding the Oregon Express alternate route case denied the existence of public convenience and necessity.

This is false. Division 5 merely held that Oregon
2255 Express failed to make any showing of public convenience and necessity for the new service which it proposed to inaugurate.

11. In the second paragraph, page 12, protestants represent that Division 5 in deciding the Oregon Express alternate route case, affirmatively approved the adequacy of the O. N. C.-Oregon Express interchange arrangement.

This is false. Division 5 found "there is no evidence that the described arrangement has not satisfactorily met the public need."

12. At page 13, first paragraph, it is represented that the Joint Board decision of November 3, 1942, in the System application, MC-69584, found against the existence of public convenience and necessity.

This is false. As was pointed out in our reply, the case cited went no further than to determine the lack of "grandfather" rights.

13. At page 14 protestants sum up their points 1 and 2 as follows: "In three separate reports, dated April 23, 1941, January 27, 1942, and September 26, 1942, respectively, two of which were by Division 4 and one by Division 5, all unanimously approved by all members of the Division, the Commission found that public convenience and necessity did not exist."

This is completely false in two particulars. First, there
2256 was a dissenting vote to each of the Division 4 orders, and, second, neither Division 4 nor the Commission found that public convenience and necessity did not exist. The orders expressly reserved that question for determination in this case.

(The argument upon points 1 and 2, pages 8 to 14 incl., contain

many repetitions of these misstatements which we have elected not to detail in this Appendix. The analysis of the "yes" and "no" votes by Divisions 4 and 5 rests upon protestants' erroneous construction of those decisions and overlooks the dissenting opinions. It is therefore completely fallacious.)

14. Protestants' argument upon Point No. 3, beginning at page 15 and continuing through on to page 18, repeatedly represents that a "needless and wasteful duplication of service" will result from the issuance of the certificates herein.

In our reply we have shown the complete falsity of such representations. The issuance of a certificate to this applicant will not result in any additional operations or service. It will result in important economies and conservation of equipment.

The following additional misstatements and false representations may be grouped under this heading and all branded as entirely false; (1) that four new services would result; (2) that
5,548 added truck miles would result; (3) that 60,000 added
2257 tire miles daily would result; (4) that increased competition would result.

15. At page 17 protestants represent that the issuance of certificates herein would require them to revise their services to eliminate duplications. This is completely false and protestants have admitted (p. 41) that the present operations of each of these applicants are "identical with that proposed herein so far as through operations of equipment are concerned."

16. At the top of page 18 protestants would persuade the Commission that the second-morning services which are proposed would be in competition with air transport after the war.

This is, we believe, completely false. It appears to be a ridiculous conjecture.

17. At the top of page 18 protestants state that the service proposed is "presently impossible."

This is entirely false. We have pointed out that second-morning service to Spokane and Seattle is presently being rendered with strict observance of all O. D. T. speed regulations. Furthermore, second-morning service between many other equidistant points is now being given by applicant.

18. Under Point No. 4 (pp. 18–22) protestants argue that the proposed schedules require highway speeds in excess of those permitted by O. D. T.

2258 The entire assumption is completely false. This has been covered at length in our reply to Point No. 4.

19. At page 18 the petition says that "careful computations based on road tests by practical operators over the route and a detailed study of trip logs, all of which appear in this record, dis-

close that to maintain the proposed schedule would require consistent highway speeds averaging 52½ miles per hour * * *."

This is false in two particulars. The computations were made by only one operator and the result is not borne out by any trip logs in this record. In fact, that operator's schedules were averaging a faster over-the-road speed than is proposed by either of the applicants.

20. At page 19 the petition says: "The Division ignores irrefutable proof that the schedules are impractical."

This is false. The testimony of one witness, Pierce, was very shallow and conjectural and assumed an unreasonable number of delays en route. His testimony was refuted on the record by the contrary testimony of many other witnesses and even by his own trip logs.

21. All of protestants' arguments on highway speeds assume that every truck will stop at every intermediate point.

2259 This assumption is false and is contrary to all of the evidence. It was shown that a very small percentage of the total traffic originates at or is destined to intermediate points. The through schedules will stop only at the principal intermediate points and most of them are loaded directly to such destination points as Portland, Seattle, and Spokane.

22. Page 22: "Division 5 has erroneously considered the two separate records therein in all respects as though they were one."

False. The careful division made by Division 5 according to the evidence produced by each applicant shows beyond doubt that the records were considered separately.

23. At page 23 protestants say that few, if any, of Consolidated's witnesses would have appeared for O. N. C.

False. The truth is that most of Consolidated's witnesses were specifically asked whether they would support the application of O. N. C. if that company would provide the service sought, and they answered in the affirmative.

24. At page 24 protestants say that Consolidated's witnesses were called "primarily to support extensions from Medford and Klamath Falls to San Francisco. Fast Freight witnesses were called to support primarily extension between Medford and

2260 Klamath Falls, on the one hand, and Portland, Oregon, * * * etc."

False. Consolidated's witnesses were called only to testify as to the transportation service then available to them and to express and explain their need for better service.

(Under Point No. 6 the protestants again insert the false statement that several new services will result from the granting of these applications.)

25. At page 27 protestants say that the showing made by both applicants was directed "almost entirely to this controversy between the two applicants * * * etc."

False in two particulars. First: As protestants said at page 22 "the shipper testimony constituted by far the greater part of the record in each case." Second: The showing made by the applicants' operating witnesses was devoted to exposing the inherent difficulties of the joint service and the inability to make such service the equivalent of through single-line service.

26. At the bottom of page 27 protestants suggest that there was no showing that the service of transportation companies generally in the area is inadequate. This inference is inserted in several other parts of the petition.

2261 It is false. The shipper witnesses testified to the inadequacy of all existing service, including the O. N. C.-Consolidated joint service, and expressed a real need for the improved single-line schedules which were proposed. Appendix C of the Division 5 report was prepared from the testimony of the public witnesses as well as the carrier witnesses.

27. The paragraph at the top of page 28 attempts to infer that applicant's case rests entirely upon a disagreement between connecting carriers.

This is totally false. Applicant's case rests squarely upon the unrebutted public testimony that the proposed service will serve a useful public purpose, responsive to a public demand; that existing carriers were not and are not now meeting that demand and that it can be met by applicant without endangering or impairing the operation of existing carriers contrary to the public interest. This is the test which the Commission applies to all public convenience and necessity cases, and it is clear that Division 5 carefully applied it to our case. (Second paragraph sheet 23.)

28. At page 29 we find the statement that the report contains no discussion of the services of other carriers comparable to the discussion relating to the deficiencies of the joint service.

2262 This is false. The services of protestants are treated by the Division's report sheets 7 to 14, inclusive, and their services are again set forth in Appendix C and shown to be inadequate when measured against the demands of the public.

29. In the last paragraph, page 31, protestants state that the Division's discussion of the difficulties of the joint services rests upon an "improper consideration in each case of evidence outside the record."

This is untrue. Mr. Gritsch's testimony in the O. N. C. case was physically introduced in evidence in our case at the request of these protestants.

30. At the top of page 32 protestants assert that the Division's report fails to disclose any finding or conclusions as to the inadequacies of existing services.

False. The report when read as a whole, clearly discloses that the existing services are a full day slower to most points than was proposed by the applicant in this case. Exhibit C shows this perfectly. Both the Examiner's proposed report and the Division's report recite that "170 points will receive faster service than is now available by any means of freight transportation." "The territory in the Northwest to be benefited by a 24-hour faster service has a population of 1,374,254. The California territory
2263 that will also be benefited by a faster service has a population of 1,850,715. This does not include points south of San Francisco Bay area which will receive a faster service through connections at San Francisco" (Sheet 6). At sheet 16 the report says: "None of the protestants proposed a like service." Upon a reading of the Division's report in its entirety protestants' criticism appears unfounded and completely unfair.

31. Further on page 32 protestants submit that applicants made no attempt to prove their service inadequate.

This is completely false as applicant took great pains to prove that the protestants were not offering a service comparable to that which it proposed and the public witnesses expressed great dissatisfaction with protestants' service as well as the O. N. C.-Consolidated joint service. Exhibit C of the Division's report accurately sums up the uncontradicted testimony of applicants' and protestants' operating witnesses and that of the shipper witnesses, and, contrary to protestants' representations, it does show "that the total available service was inadequate."

32. At page 33 protestants suggest that the chart which they included in their brief to the Joint Board "fully and carefully" abstracted the testimony of the shipper witnesses.

2264 This is a false statement. In our exceptions we devoted 30 pages to exposing that chart as an entirely untrustworthy instrument. It does not accurately or honestly portray the testimony given by the witnesses and it did not deceive Division 5.

33. The last paragraph on page 33 labels the Division 5 finding as a "predetermined conclusion."

This is a completely unfair charge against Division 5. No more careful analysis of a voluminous record has ever been made by any administrative body. The evidence submitted by both sides was considered fully and dispassionately. The result reached is entirely logical and conforms with all precedents. In fact it was the only conclusion possible upon this record. Protestants have never claimed that they are able or willing to match the service proposed herein. Both the Examiner and the Division found that

170 communities with a population of well over a million will receive 24-hours faster service than can be had by any freight service available. Only one carrier (L. A. S.) matches the second-morning service to Seattle. To reach a contrary conclusion the Commission would have to arbitrarily find that the shippers do not need a 24-hour faster service to and from San Francisco, and such a finding could be made only by completely ignoring the testimony of all public witnesses.

2265 34. At sheet 24 the Division said: "Shipper witnesses generally were unfamiliar with the fact that Pierce's operation was daily." This was a comment upon the fact that Pierce had increased his weekly service to daily just before the hearing herein. At the top of page 36 protestants seize upon this fragment and sarcastically expound that the Division's theory is that because shippers are unfamiliar with existing service they should be given more.

This is an unjustified and unfair criticism of the report. Pierce's service is carefully covered at sheets 10 and 11 and again in Appendix C. He operates San Francisco to Medford one night, lays at Medford all day, and moves on to Portland the second night. The best he can do by connection to Seattle or Spokane is third morning. He has never expressed so much as a desire to do better.

Protestants' arguments upon Point 9, pages 37, 38, 39, contain several misstatements, but inasmuch as the question is an academic one (whether an affirmative finding that no impairment will result is essential) and is met in our reply to this point, there is no occasion to controvert the various repetitious misstatements.

35. At page 39 the petition suggests that the Division's
2266 finding that there is no service over the route though Klamath Falls to the Inland Empire is erroneous in fact.

The finding is correct. There is no service, through or joint, over that route, which is 140 miles shorter than the route via Portland.

36. Next on page 39 protestants represent that applicant intends to use the route via Portland from Spokane to San Francisco in its south-bound movement.

Misleading. The evidence was that there is little or no traffic moving directly from Spokane south-bound to San Francisco, and that the returning vehicles would be utilized in local service Spokane to Portland, Portland to Klamath Falls, and Klamath Falls to San Francisco, making possible a very practical operation inasmuch as the heavy flow of traffic between Spokane and Portland is west-bound and between Portland and Klamath Falls it is south-bound. There is a good backhaul available from Klamath Falls into San Francisco.

37. At page 39 protestants state that they have service via Portland between San Francisco and Spokane.

Interesting, if true. That route is well over 10% circuitous and, under O. D. T. rules, the present joint Mitchell-Consolidated service via Klamath Falls is the only one entitled to handle such
2267 traffic. There is no other service, through or joint, over this 140-mile shorter route.

38. On page 44 protestants represent that applicant, by leasing its equipment to Mitchell, has been able to give "precisely the same through service between Portland and San Francisco as is authorized in the order herein."

False. While applicant has eliminated the delay occasioned by the interchange at Medford, the present joint-line service is not the equivalent of the single-line service proposed, and it is subject to a great many uncertainties as has been pointed out in our reply.

39. On page 45 protestants assert that the "driving time" shown in the table on sheet 5 of the Division's report was intended to represent actual hours of driving time rather than miles per hour.

False. A comparison of the proposed elapsed time with the mileage will show that the figures under the caption "Driving Time" are average miles per hour. The total proposed elapsed time to Seattle, for instance, is 33 hours. The distance from Oakland is 880 miles. The over-all average speed, therefore, would be 26 plus miles per hour.

At pages 45 and 46 protestants again hold out the fantastic computations of witness Pierce to prove that an average speed of
52½ miles per hour would be necessary to maintain a 25½-
2268 hour schedule between San Francisco and Portland (684 miles). The over-all average speed is about 26.8 miles per hour. The starting point is Oakland, however, and the distance 675 miles, making the average speed 26.4 miles per hour.

40. At page 47 protestants say "* * * it should be pointed out that the alleged saving of 8 to 9 hours at Medford referred to in the report related solely to hours wasted because of the unwillingness of Consolidated to start its schedules northward prior to the close of the business day at Medford."

This statement is completely false and there isn't a shred of evidence to support it. Consolidated was anxious to get away from Medford as early as possible. No north-bound freight originated at Medford. The delay was occasioned entirely by the necessity to rehandle and check a large number of miscellaneous shipments turned over to it at Medford by O. N. C.

41 At page 47 protestants state that due to O. D. T. speed re-

strictions it is no longer possible to save 3 to 4 hours by use of the Klamath Falls-Goshen route.

False. Because of the fact that this route avoids several mountains and is straighter, wider, and less congested, its use still represents a savings of approximately 3 to 4 hours.

42. At page 48 protestants say "that the enforced
2269 speed restrictions have placed the time in transit of all operators substantially on a common level."

False. Applicant, by means of its present temporary connection with Mitchell at Klamath Falls, is giving second-morning service to all of the Inland Empire points and to Seattle and Tacoma. The protestants' services are still the same as is shown in Exhibit C of the Division's report.

43. At the top of page 49 protestants represent that changes in the Oregon weight and length limitations since the hearing have made the equipment interchange problem "entirely obsolete."

False. The relaxation of Oregon's weight and length laws is purely temporary. At the end of the war the same barriers which existed at the time of the hearing will again be there.

44. Protestants imply generally throughout argument upon their Point 11 that O. N. C.'s and Consolidated's interchange and connection problems are now fully solved by the use of Oregon Express and Mitchell as connecting carriers.

Inconsistent. They are attempting upon other records to convince the Commission that Oregon Express cannot lawfully act as a connection for O. N. C. and that Mitchell has no "grandfather" rights and is unfit to receive a certificate in his section 207 case.

2270 45. At page 51 protestants, by including a household goods hauler and the Railway Express Agency, arrives at a representation that there are 12 regular transportation services between San Francisco and the Pacific Northwest in addition to the joint service of the two applicants.

False. As we have shown in our report, there are only four regular motor carrier transportation services (L. A. S., Pierce, Mitchell, and System). Pierce is the only one with Commission authority to serve all intermediate points. Los Angeles-Seattle cannot serve San Francisco and Oakland south-bound.

46. At page 51 protestants say "there are, of course, irregular route carriers serving the territory, too numerous to mention." (In their computation they apparently count this as one regular transportation service.)

False. We know of no irregular-route carriers having authority to transport general commodities between San Francisco and the

Pacific Northwest, and we don't think there are any. Certainly if there are they are not "too numerous to mention."

47. At page 54 protestants imply that Lubetich and Pacific Truck Express have increased the number of trucks operated.

2271 Misleading. Lubetich is no longer in business, as the Division's report shows, and Pacific Truck Express does not operate a through truck service between San Francisco and the Pacific Northwest.

48. At the bottom of page 56 and top of page 57 it is represented that the differences in types of equipment operated by the two applicants is no longer worthy of consideration "by reason of change in the Oregon weight and length requirements to conform to those of California for the duration of the emergency and by reason of the fact that both carriers have long interchanged with new connecting lines."

Misleading. Mitchell operates a different type of equipment than Consolidated and when the present emergency authority is revoked Consolidated would not be able to interchange with him any more than it could with O. N. C. At present Consolidated must furnish Mitchell all of the equipment which he uses in the joint-line service because all of his own equipment is devoted to building up his single-line service which is competitive to Consolidated north of Medford.

2272 APPENDIX "B"

Motor carriers operating across the State of Oregon have an election as to the manner in which they will pay their fees. They may pay 6% of the gross revenue earned or one mill per gross ton mile. Revenue earned in Oregon is calculated by prorating on a mileage basis. For example, freight from San Francisco to Seattle travels 889 miles, 347 of which is in Oregon. The 6% revenue tax is paid on 347/889ths of the total revenue earned on San Francisco-Seattle freight.

Exhibit 69 in the record in this case is a recapitulation of reports of Cascade Fast Freight (predecessor of System Freight Service) to the Public Utilities Commissioner of Oregon. In the Mitchell section 207 case (MC 35525, Sub. 6) these reports were introduced to cover the period January 1939 to July 1942 (exhibit No. 30, reprinted at p. 52 of Mitchell's brief of Dec. 12, 1942).

The following is a compilation of that carrier's sworn reports to the Public Utilities Commissioner of Oregon from March 1936 to February 1943, taken from photostatic copies of said reports.

The figures show total revenue earned by the carrier upon traffic moving between the San Francisco Bay Area and points in California north thereof, including Sacramento, on the one hand and, on the other, points north of the California-Oregon boundary.

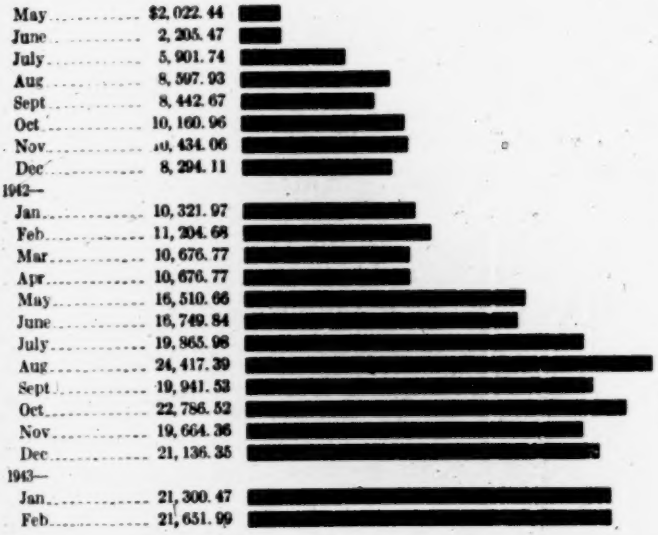
2273

1936—			1938—		
Mar	$214.29		July	144.75	
Apr	226.98		Aug	633.18	
May	176.72		Sept	516.44	
June	355.72		Oct	348.76	
July	158.90		Nov	1,075.61	
Aug	207.53		Dec	859.25	
Sept	153.27		1939—		
Oct	83.81		Jan	868.94	
Nov	861.88		Feb	997.26	
Dec	355.90		Mar	1,477.87	
1937—			April	1,452.67	
Jan	1,216.44		May	1,942.30	
Feb	511.67		June	1,227.43	
March	305.27		July	657.37	
April	575.39		Aug	883.05	
May	592.58		Sept	3,363.04	
June	463.45		Oct	949.41	
July	134.05		Nov	828.95	
Aug	178.27		Dec	948.29	
Sept	505.89		1940—		
Oct	375.11		Jan	1,091.17	
Nov	246.77		Feb	743.54	
Dec	38.98		Mar	1,203.30	
1938—			Apr	1,625.22	
Jan	64.06		May	1,637.25	
Feb	157.69		June	2,966.51	
March	206.19		July	1,565.17	
April	93.81		Aug	2,468.52	
May	114.77		Sept	1,909.99	
June	136.43		Oct	1,525.71	

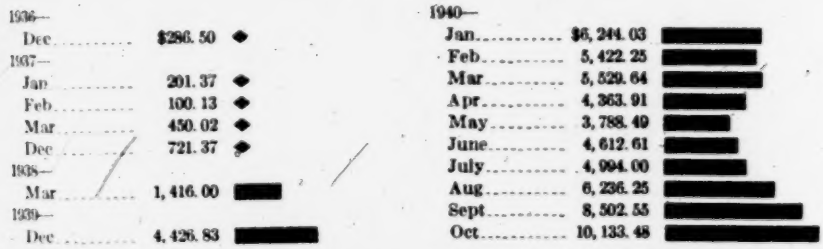
2274 From October 28th, 1940, to April 27th, 1941, applicant operated into San Francisco under lease of O. J. Mitchell's rights. Mitchell had been operating 3 or 4 trips per week. Applicant had proposed 4 trips each way daily. During the lease period the volume of traffic increased and applicant found itself operating 8 trips each way daily.

Nov	$1,979.07	Feb	$845.35
Dec	1,702.94	Mar	1,275.08
1941—		Apr	1,135.98
Jan	1,187.78		

On April 27, 1941, Mitchell resumed his own through San Francisco-Portland service and, with equipment leased from applicant, inaugurated the joint-line service which protestants contend is "identical with that proposed herein insofar as through operation of equipment is concerned" (Petition, p. 41). Mitchell's own single-line San Francisco-Portland operation grew to daily service and the joint-line operations to 10 to 13 trips each way daily (Petition, pp. 44 and 53).



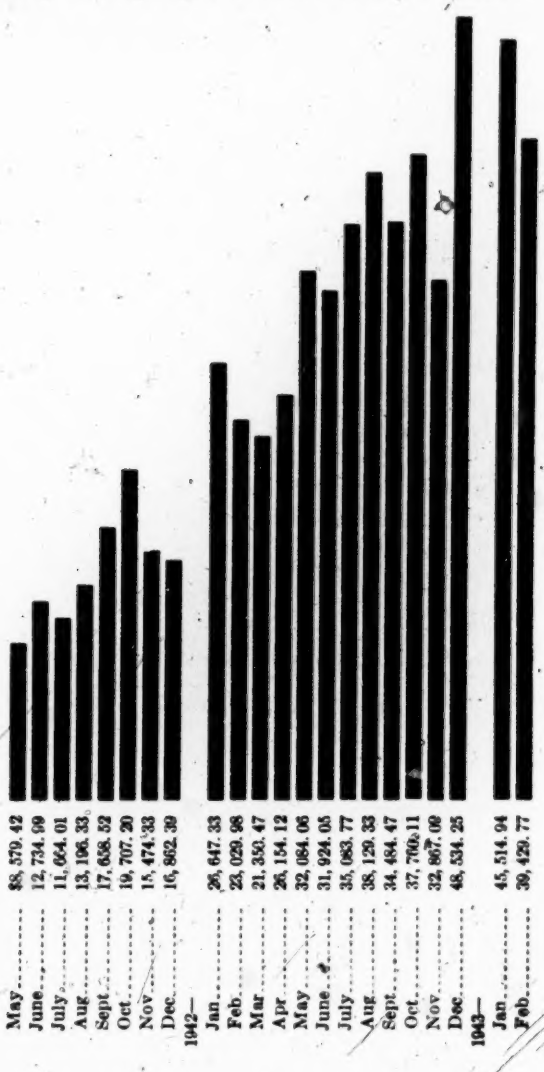
2275 Los Angeles-Seattle Motor Express Exhibit No. 28 in the Mitchell section 207 case (MC-35525, Sub. 6) case is reprinted at page 45 of his brief of December 12, 1942. It shows the revenues earned by Los Angeles-Seattle Motor Express on traffic moving between the San Francisco Bay Area and points north thereof in California, including Sacramento, and points north of the Oregon-California boundary, in several scattered months between December 1936 and December 1939, and then month by month from January 1940 to June 1942. The following compilation carries these reports up to and including February 1943.



Mr. Lacey, general manager of this company, implied by his testimony herein October 18, 1940, that if applicant should be permitted to operate the proposed 4 schedules daily, his company's ability would be impaired. As shown hereinbefore, applicant doubled that number of schedules while operating into San
2276 Francisco under lease of Mitchell's rights. In the face of twice as much competition as he expected Mr. Lacey's company showed the following gains.

Nov	$7,119.36
Dec	8,473.72
1941—	
Jan	10,058.54
Feb	8,276.29
Mar	11,732.93
Apr	11,623.50

Upon April 27th, 1941, Mitchell resumed his own single-line San Francisco-Portland operations and the joint Mitchell-Consolidated service was inaugurated. In the face of competition for Mitchell's daily through service and 10 to 13 daily joint-line schedules, Mr. Lacey's company continued to show gains:



Because the greatest part of Pierce's business is transported within the State of Oregon between Portland and Medford and interstate and intrastate revenues are covered in one report,
2277 we are unable to segregate his California traffic. His counsel says in the petition that his California schedules have been doubled since the hearing herein.

O. J. Mitchell submitted an exhibit in his section 207 case which shows the growth of his own single-line volume between San Francisco and Portland and the joint Consolidated-Mitchell business from April 27th, 1941 (the date when the temporary lease expired and he resumed the operation of his line), to June 30, 1942 (Exhibit No. 3, MC–35525, Sub. 6).

	Joint Consolidated Mitchell revenue	Single-line S. F.-Portland revenue
April 27 to 30, 1941	$4,466.42	$88.95
May 1941	26,943.12	1,954.90
June 1941	28,261.79	1,904.62
July 1941	29,047.71	2,803.86
August 1941	36,622.43	3,003.99
September 1941	40,786.92	3,094.48
October 1941	44,010.91	2,973.16
November 1941	35,927.49	2,179.00
December 1941	42,290.72	2,811.22
January 1942	34,961.31	2,370.24
February 1942	36,767.79	4,185.76
March 1942	46,203.53	5,957.91
April 1942	50,862.16	7,447.14
May 1942	60,678.03	7,422.76
June 1942	60,095.05	8,864.77
Totals	$577,925.38	$57,062.76

Mitchell's single-line revenues for June 1942 are about 465% over June 1941 and the joint-line revenues are up about 222%.

2278 STATE OF OREGON,
County of Multnomah, ss.

Leland James, being duly sworn, deposes and says: that he is the president of Consolidated Freightways, Inc., applicant in the above entitled proceeding; that he has read the foregoing Reply to Protestants' Petition for Reconsideration, Further Hearing and Postponement of Issuance of Certificate, and Brief in Support Thereof, and knows the contents thereof; that the same are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, he believes them to be true.

LELAND JAMES.

Subscribed in my presence, and sworn to before me, by the affiant above named, this 15th day of May 1943.

[SEAL]

ALICE DOOS,
Notary Public for Oregon.

My commission expires June 9, 1946.

2279 CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing Reply upon all parties of record in this proceeding by mailing a copy thereof, properly addressed, to each party of record.

C. E. HOLBROOK

Dated at Portland, Oregon, this 19th day of May 1943.

2280 *Plaintiffs' Exhibit 8*

Before the Interstate Commerce Commission

No. MC–42487, Sub. Nos. 15, 18, 19, and 20

IN THE MATTER OF THE APPLICATION OF CONSOLIDATED FREIGHTWAYS, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING EXTENSIONS OF OPERATIONS (OVER VARIOUS SPECIFIED ROUTES, INCLUDING PARTICULARLY BETWEEN SAN FRANCISCO AND MEDFORD, SAN FRANCISCO AND KLAMATH FALLS, SAN FRANCISCO AND MARSHFIELD, AND REDDING, CALIFORNIA, AND LAKEVIEW, OREGON)

No. MC–9115, Sub. No. 1

IN THE MATTER OF THE APPLICATION, AS AMENDED, OF OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING EXTENSION OF OPERATIONS (OVER VARIOUS SPECIFIED ROUTES, INCLUDING PARTICULARLY BETWEEN MEDFORD AND PORTLAND, VANCOUVER AND CAMAS, BETWEEN KLAMATH FALLS AND PORTLAND, VANCOUVER AND CAMAS, AND BETWEEN MEDFORD AND MARSHFIELD)

REPLY OF APPLICANT, OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC. TO PETITION OF PROTESTANTS FOR RECONSIDERATION, FURTHER HEARING AND POSTPONEMENT OF ISSUANCE OF CERTIFICATE

2284 INTRODUCTION

Six protestants, five being motor carriers and one being a railroad association, have petitioned your Commission to reconsider its report and order, made and entered by Division 5 of the Commission, dated March 1, 1943; to grant a rehearing for the purpose of hearing new evidence showing alleged substantial changes in transportation conditions since the closing of the record; to hold in abeyance the certificate granted pending the conclusion of such further hearing: or in the alternative, to reconsider and reverse said report of the Commission.

This matter has already been extensively briefed by the parties. In that connection, the attention of the Commission is respectfully called to the brief of applicant, Oregon-Nevada-California Fast Freight, Inc., hereinafter designated O. N. C., dated February 12, 1941, and to the exceptions of O. N. C. (dated November 28, 1941) to the report and order recommended by H. L. Hanback, Examiner. Having, therefore, already completely defined and discussed the issues, it will be our purpose to reply as briefly as is possible to the contentions raised by protestants.

These protestants have made such fantastic statements of fact and law that we are impelled to point out to the Commission the fallacies therein contained. It is the opinion of this applicant that the Commission in its report of March 1, 1943, has clearly discussed and correctly appraised the evidence of record and has made appropriate findings based upon that record. It is
2285 further the position of this applicant that if any changes have occurred since the record was made, these changes even more require the authorization of the proposed service in the public interest, and that, therefore, delaying the institution of the authorized service would be detrimental to the public interest and would serve no useful function, since the final determination would undoubtedly still be the same and these protestants would merely have, in their selfish interests, caused a postponement contrary to the public need.

ANSWER TO ARGUMENTS NOS. 1 AND 2

The Decision of the Commission of March 1, 1943, Does Not Conflict With Any Prior Determination of the Commission, Nor Any Division Thereof

Protestants contend that the Commission's decision conflicts with determinations by the Commission in other cases.

It is first contended that the decision of the Commission (Division 4), dated January 28, 1942, in the applications of O. N. C. to acquire and control Oregon Express, Dockets MC F-1411 and MC F-1412, disposed of an identical issue. Protestants quote from that decision the following statement: "This transaction involves questions of public convenience and necessity not distinguishable from those involved and primarily for consideration in Fast Freight's [O. N. C.], pending Section 207, Application." Those applications, incidentally, have been the subject of rehearing and an examiner's proposed report of February 13, 1943, to which exceptions of O. N. C. are pending. To the
2286 commission's decision above quoted, Commissioner Porter dissented on the ground that Section 5 of the Act does not require proof of public convenience and necessity. As a matter

of fact, the majority report merely holds that the question of acquisition and control of Oregon Express should not be decided affirmatively in advance of the determination of the instant matter. It made no finding that public convenience and necessity do not require the proposed service, no issue of public convenience and necessity having been raised, nor any evidence tendered thereon by O. N. C. How protestants can reach the logically absurd conclusion that the Commission determined the issue of public convenience and necessity, an issue which, they urge, is therefore foreclosed in this proceeding, is beyond our understanding; for the Commission in the Oregon Express decision very clearly stated that it could make no determination of public convenience and necessity on the record; that that issue would have to be determined in the Section 207 proceedings, the instant matter.

The protestants further contend that the decision of the Commission in the application of Oregon Express for alternate route, Docket No. MC–18231, Sub. 4, conflicts with the determination of the Commission in the instant matter. O. N. C. was not the applicant in that case, and had no direct connection with it. Further than that, it was purely an alternate-route application and no shipper-witness testimony was placed in the record. It is therefore ludicrous to contend that the decision on that record is

2287 conflicting with, or determinative of, any issue in this case.

The contention of protestants that the decision of Joint Board No. 5 in System Freight Service, Common Carrier Application MC–69584, is in any way binding upon this Commission, or determinative of the issues here involved, is similarly worthy of no extended comment. It may be that the public did not desire the service of System Freight Service. Incidentally, we take it that protestants meant to refer to the MCX69584, Sub. 1, which was the extension application, rather than to the Grandfather case. The Commission is here concerned with determining this matter on its record, not on the record of some other proceeding which may have some remote connection with an applicant or protestant in this proceeding.

Typical of the accuracy of protestants' contention is the statement on page 14 of their petition that three separate reports dated April 23, 1941, January 28, 1942, and September 26, 1942, respectively, two of which were by Division 4 and one by Division 5, were "all unanimously approved by all members of the Division." The report of January 28, 1942, is the report of Oregon-Nevada-California Fast Freight, Inc.—Control—Oregon Express. As we have pointed out, Commissioner Porter dissented. It was therefore not a unanimous decision. While it is true that Commissioner Porter stated he felt all the applications should be concurrently considered and decided, he clearly showed that that

result would not be accomplished by piecemeal denial of the finance application.

2288 It is obvious to us, as it undoubtedly was to the Commission in deciding this matter, that all prior determinations left for decision in this case the issue of public convenience and necessity. That was the very issue which was not determined in any prior case insofar as O. N. C. is concerned. That was the issue which this Commission was to determine in this proceeding, the issue which it has now decided. This is merely the old attempt of protestants to influence the Commission to keep from determining a matter before it on the basis of some other proceeding or record. Unfortunately, however, for protestants, the end of the circle has at last been reached. This time, the Commission is considering the ultimate issue in the case in which that issue properly resides. Protestants cannot now be successful in their efforts at distracting the Commission by beating the brush in some other locality. The issue of public convenience and necessity was raised in this case, it belongs in this case, and it was determined in this case.

ANSWER TO ARGUMENTS NOS. 3 AND 4

The Rules and Regulations of the Office of Defense Transportation Do Not in Any Way Affect the Validity of the Commission's Decision

Protestants endeavor to inject into this proceeding matters falling within the domain of the Office of Defense Transportation. Thus they urge, first, that the operations proposed are forbidden by the Office of Defense Transportation; and secondly, that

2289 the contemplated highway speeds are substantially in excess of those permitted by the Office of Defense Transportation.

We have no doubt that the Office of Defense Transportation is perfectly capable of taking care of its own functions. This Commission is concerned primarily with determining applications before it on the basis of the statutes applicable to such applications. This the Commission has done in its decision in this matter. Further than that, however, we assert that this bugaboo raised by protestants is without substance, and that the rules and regulations of that agency will not in any way prevent the institution or maintenance of the proposed service. True, as the Commission has shown, no speeds in excess of those which are lawful may be engaged in by any carrier. To that extent all schedules will be slowed up so long as the 35 mile per hour speed limit exists. By elimination of the interchange at Medford and

Klamath Falls, the schedules proposed by applicant O. N. C. will nevertheless be considerably faster than they could be under any interchange arrangement.

That the functions of the Interstate Commerce Commission have not been superseded by the Office of Defense Transportation, or other administrative agencies created by law, is well substantiated by the decision of the Commission in Ex Parte No. 148, decided April 6, 1943. In that decision, at Sheet 31, the Commission noted that the Price Administrator contended the Emergency Price Control and Stabilization Acts modified or
2290 amended the provisions of the Interstate Commerce Act, and in determining a reasonable level of rates the Commission must be controlled by the provisions of those acts and administrative action thereunder. The Commission stated it did not agree with this view and said, at Sheet 32:

"The Interstate Commerce and the Price Control and Stabilization Acts declare important Congressional policies which are not contradictory, but are complementary."

Similarly, the functions of the Office of Defense Transportation are complementary to those of the Interstate Commerce Commission. The Commission is still authorized and empowered to exercise its jurisdiction as heretofore, and the Commission may safely leave to the Office of Defense Transportation those matters falling within its domain. Any other theory pursuant to which the Commission would hold itself subject to the jurisdiction of the Office of Defense Transportation would, of course, create untold confusion and chaos in the regulation of carriers by the Commission.

As we have shown, not only have the functions of the Interstate Commerce Commission not been superseded by the Office of Defense Transportation, but it is also true that no rule or regulation of the Office of Defense Transportation in any way militates against the institution and maintenance of the proposed service. The ambiguous contentions of protestants merely state conclusions without pointing out to the Commission any specific rule
2291 or regulation which, in their opinion, would affect the service of O. N. C., other than the 35-mile speed limit, which, of course, affects all carriers equally, but which would not in any way prevent the service being performed.

It may not be amiss to point out that protestants apparently are suffering under the delusion that the proposed service is an entirely new service never before rendered by applicant in conjunction with its connecting carriers. As a matter of fact, O. N. C. is the pioneer in the field, having instituted its service in 1929. Thereafter interchange traffic destined to points beyond Medford and

Klamath Falls in Oregon, and other States, increased tremendously, so that at the time of the hearing from three to six truck and trailer loads were involved each day north-bound. This traffic, which has been increasing, will continue to move in truck- and trailer-load quantities regardless of whether the transportation to Portland is performed by O. N. C. as a through carrier on its own certificate, or whether an interchange of cargo or equipment has to be effected at Medford or Klamath Falls.

Actually, as the testimony of J. A. Gritsch, the President of O. N. C., clearly showed, the load factor of applicant would undoubtedly be much improved, particularly south-bound, by the granting of this application, for south-bound tonnage could be obtained to fill out the voidage of equipment now existing by reason of Consolidated's primary interest in north-bound tonnage, that carrier thereby not tendering to O. N. C. at
2292 the time interchange was effected with Consolidated, as large a quantity of south-bound tonnage as O. N. C. itself would undoubtedly be able to attract to its service.

In every respect granting of the application will enable O. N. C. to better comply, both in spirit and in law, with the rules and regulations of the Office of Defense Transportation. It will be noted that the protestants do not point out what rule or regulation of the Office of Defense Transportation will be infringed upon by the operations of O. N. C. The primary concern of that agency is the full utilization of existing equipment, one of the very things that O. N. C. is concerned about in prosecuting this application.

Protestants' vituperative treatment of the Commission in connection with this matter is totally undeserved, and based upon a complete distortion of facts.

Particularly ludicrous are the figures pertaining to extra tire miles which would allegedly be caused by the institution of the proposed service. Apparently protestants cannot understand that with the same traffic moving between Portland and San Francisco, and the other points involved, substantially the same units of equipment are going to be needed to handle that traffic. Unless the load factor is reduced, it is obvious that no added tire miles will result. If, as we contend, the load factor is improved, actually fewer tire miles will result, assuming the same volume of traffic.

2293 In West Coast Bus Lines, Ltd., Common Carrier application, MC–89037, 3 F. C. C. 424, decided by the full Commission, on October 6, 1942, the Commission authorized the institution of a bus service on the Pacific Coast even the record had been made in 1938, and even though, as four dissenting Commissioners contended, the Office of Defense Transportation would

probably not permit the institution of the service. In that case, the applicant did not even have any buses with which to institute the service, and probably would have a difficult, if not an impossible time, in getting them. Here the applicants are already in the field, and have the equipment, facilities, and resources to immediately institute and maintain the proposed service. If the absence of equipment and the rules of the Office of Defense Transportation did not prevent the issuance of a certificate in the West Coast Bus Lines case, a fortiori in this proceeding there can be no problem whatsoever.

Protestants are entirely unwarranted in stating that the present service cannot possibly be instituted, and we contend there is positively no basis for that statement. Nor do protestants point out any rule, law, or statute which would preclude the institution of this service.

Protestants' prognostication of future events to take place after the war pertaining to the taking over of traffic by airplane requires little comment. The Commission, of course, is not clairvoyant and cannot be expected to know what will take place ten years from now. Nor is it required to do so in order 2294 to formulate an opinion; if it were, it could never act. Conditions as they now exist, and as they reasonably may be expected to exist, in the foreseeable future, justify the authorization of this proposed service. Beyond that, neither applicant, the Commission, nor these protestants themselves are authorized to state a competent opinion as to what will thereafter take place.

We are again confronted with the Office of Defense Transportation as a hurdle in the fourth argument of protestants wherein the 35-mile-an-hour speed limit is discussed. It is contended by protestants that the schedules proposed are impractical and that service to all intermediate points renders it impossible to maintain the proposed schedule between Portland and San Francisco. In the first place, the 35-mile speed limit will affect all carriers equally. Nevertheless, O. N. C.'s service will be as relatively better under a 35-mile speed limit as it would be without it. The elimination of the interchange at Klamath Falls and Medford will be the primary means of reducing the time in transit. The interchange was the factor which prevented the maintenance of fast schedules. A 35-mile schedule will have little effect upon these schedules, once that interchange is eliminated. Even now serious consideration is being given by the Office of Defense Transportation to increasing that limit in line with recent studies disclosing that such a speed limit is actually uneconomical and wasteful of equipment and that a 40- or 45-mile speed limit will be more

efficient, conducive to better maintenance of equipment, and
2295 less wasteful of manpower. Protestants assume that one truck will serve every intermediate point. Obviously, if that were the case, fast schedules would be impossible. O. N. C. operates more than one schedule a day, and it is, of course, the intention of applicant to operate the schedules in such a way that intermediate point service is not confined to a single truck. Some trucks will undoubtedly be operated on through service. Others will serve certain intermediate points in a given territory, and the remainder will serve the balance of the intermediate territory. These are purely operating questions which O. N. C. has always been able to resolve in such a manner as to best meet the public demands. It is by reason of that fact that it is a successful carrier. Its competitors have often sat back and said "that cannot be done." O. N. C. does it. That is why the bulk of the traffic has been moving via that line. We have no hesitancy in assuring the Commission that the performance of O. N. C. will measure up to all of the Commission's just expectations based upon the commitments made. At no time has O. N. C. indicated that it would operate schedules which required speeds of over 50 miles an hour. That statement was a figment of the witness Pierce's imagination.

ANSWER TO ARGUMENT NO. 5

There Has Been No Improper Consideration of the Two Records by the Issuance of One Decision

Protestants contend that the Commission erred by con-
2296 sidering the two applications and the records made thereon as one. They do not apparently object to the issuance of one report. Protestants are mistaken in their assumption that the Commission combined the two records and decided these applications on the basis of the consolidated record. There is nothing in the report to so indicate. The fact that the two applications are disposed of in one report is, of course, unobjectionable. These are companion cases and every court and administrative agency of which we have any knowledge, has, in many instances, considered companion cases in one decision. That does not mean that the records were thereby consolidated, nor that evidence in one application or case was considered in the companion application or case in disposing of them in one record.

Thus the United States Supreme Court has often issued one decision governing companion cases. A recent example is Aguilar v. Standard Oil Company of New Jersey; Waterman Steamship Corporation v. Jones, 87 L. Ed. 799. These cases were decided

April 19, 1943 in one decision, one case being reversed and one affirmed.

As a matter of fact, of course, a good portion of the records in the two applications were consolidated by the introduction of a portion of one record into the other by stipulation. The cases thus being so closely related, it was, of course, only practical that the Commission should issue but one decision.

The contention that the Commission has indiscriminately
2297 determined these applications by combining the records in toto is unfounded. The Commission has very carefully distinguished between the applicants in discussing the authority sought, their present service, their proposed service, and certain features under the heading "public convenience and necessity" which required separate treatment. Protestants' service was considered as a whole because it was received in both records, without the necessity of repetition separately in each record. As a matter of fact, protestants' whole contention rests on the consideration of the shipper witnesses, pointing out that the Commission has totaled the number of witnesses as being 120. The Commission handled the public witnesses by breaking down their testimony into several categories, such as proposed speed-up of service, use of mechanically refrigerated equipment, etc. It is to be noted that in discussing the shipper-witness testimony the Commission carefully delineated that which was common to both applications and that which pertained to one alone. Thus, the fifth item of shipper-witness testimony mentioned by the Commission is restricted solely to Consolidated in its proposed operations between San Francisco and points in Eastern Oregon and Washington. Also in its discussion of the public convenience and necessity issue, the Commission pointed out various items applicable in some instances to O. N. C., in others to Consolidated, showing that the record had not been indiscriminately dumped together. In other words, there is absolutely nothing to indicate that the Commis-
sion decided the application of O. N. C. on the basis of testi-
2298 mony introduced in the Consolidated application, or vice versa. There was certainly no purpose in the Commission discussing the testimony of each public witness separately in each case, when the testimony of these witnesses in most particulars fell into well-defined categories.

The Commission has been administering the Act for many years, its procedure has been carefully developed over this period so as to protect the rights of all parties interested, and we are confident that at this late date the Commission has not, in this proceeding, violated the rights of protestants by granting one applicaion on the basis of the record in another. Persistently throughout their petition protestants jump at conclusions which are not sup-

ported in fact, and having set up a straw man, proceed to blow him down. This argument represents another example of that kind.

ANSWER TO ARGUMENT NO. 6

The Division Was Entirely Correct in Concluding That the Applications Should Either be Both Denied or Both Granted

Consistent with their usual practice, protestants have again jumped at unwarranted conclusions. By reason of the fact that the Commission stated in its decision that authority should be either granted or denied to both applicants, they assume that the Commission combined the records and did not judge each application on its own merits. Nothing could be farther from the truth. We have no hesitancy in asserting that if O. N. C. had merely filed an application and had not supported that application with
2299 substantial evidence comprising a multitude of shipper witnesses and operating testimony, its application would be denied. The fact is that both applicants presented the same character of evidence and there is little, if anything, to choose between the two records as made. We, as counsel for O. N. C. may believe that O. N. C.'s record is superior to that of Consolidated, and counsel for Consolidated undoubtedly believe that Consolidated's record is superior, but substantially the records are on a parity, insofar as the main issues at least are concerned. It is as a result of that fact that the Commission has so correctly stated that the applications should either both be denied or both be granted. This statement is further supported by the history of the two operations, for on the basis of the fact that the records are substantial in each case, it would be the height of injustice to permit one applicant to institute the service, and deny the same right to the other. At the time of the hearing, the traffic transported by the applications should either both be benied or both be granted. This ord in each case rests on the fundamental issue of improving the service so that each carrier may render a through service in the public interest. Each record fully substantiates the position of the respective applicants that a great improvement of service will result as to each particular applicant. It requires no consolidation nor combining of records to reach the determination that each application should be granted. Each record is self-sufficient in that respect.

Protestants once again are guilty of astounding misconceptions when they state that new services will result. These car-
2300 riers are not newcomers to the field; what they have sought, and what the decision of the Commission will permit, is the

inauguration of through services in lieu of the presently required interchange arrangement. Essentially the same traffic will be transported.

ANSWER TO ARGUMENT NO. 7

The Asserted Inability of the Applicants as Connecting Carriers To Agree, Is Not the Basis Upon Which O. N. C. Relies in Proving Public Convenience and Necessity

Once again, protestants assume a fact which is not correct and then proceed to destroy it as a basis upon which to grant a certificate. Thus they assert that the difficulties of O. N. C. and Consolidated in connection with their interchange service is the basis upon which the issue of public convenience and necessity was decided. Nothing could be further from the truth. It is true that Consolidated and O. N. C. did not see eye-to-eye in all matters concerning the interchange arrangement, but this record is replete with evidence that no interchange arrangement possible between these two carriers, handling the enormous volume of freight which each initiates, could provide the type of service which each separately can give if this application is granted. Thus, the fast, flexible service which O. N. C. proposes would be impossible under any interchange arrangement. The providing of proper service to intermediate points cannot be done in a satisfactory manner unless O. N. C. performs all of the service itself. The es-
230[illegible] tablishment of proper schedules and routing of traffic cannot be satisfactorily handled in any manner except through a single-line operation.

It cannot be disputed that a through service has advantages that no interchange service possesses. Many of the public witnesses testified to their desire for through service and as to the resulting benefits which would accure to them by reason of having such service of O. N. C. available. The Commission has many times given consideration to the advantages of such service. See for example Dixie-Ohio Express Company, Common Carrier Application 17 MCC–735 at 748–749. In Cleveland, Columbus and Cincinnati Highway Incorporated, Extension of Operations, 3 MCC–295 at 296, the Commission said:

"Shippers usually desire to route their shipments over the line of a single carrier. Transfers between carriers require extra handling which causes delays and damages to their contents. Some difficulty also is experienced in determining what carrier is responsible for damage in transit when two or more carriers have participated in the haul."

Much of the public witness testimony in this matter was concerned with the same element. We assert confidently that no interchange arrangement under this volume of traffic could ever possess the superior qualities of the proposed service. In addition, however, to the interchange situation, let us show briefly what other factors were testified to by the public witnesses.

Many witnesses testified to the benefits of the faster serv-
2302 ice proposed. This service will still be faster than protes-
tants' regardless of the 35-mile speed limit, as is apparent from a study of the record. The witness Shook, of Roseburg, stated the proposed schedules of O. N. C. would greatly speed up his shipments of poultry and eggs. The witness Braden testified it takes two days to receive delivery of automobile parts at Grants Pass, whereas applicant would provide a one-day service. The witness Taylor at Reedsport, Oregon, stated the present service is 50 hours, as compared to the proposed 20-hour service. The witness Shook at Albany, Oregon, now receives only twice-weekly service. Many other witnesses testified to the effect. (See O. N. C. Brief of February 12, 1941, pp. 24 to 26.)

Further, many witnesses testified that the proposed service would improve the service to points in the Northwest where interchange is involved, saving a day or more to Spokane and other points. In this connection, the testimony of these witnesses clearly shows that the protestants had not established, and could not establish, proper interchange relationships with carriers serving beyond points. O. N. C. proposes to arrange schedules which will permit of meeting the schedules of connecting carriers so as to provide a fast service to all points in the Northwest. (See O. N. C. Brief, pp. 28 to 30.)

In addition, the advantages of mechanical refrigeration and the necessity for such service were testified to by many witnesses. It is important to remember that the Pacific Northwest and Cali-
fornia produce commodities which require refrigeration,
2303 such as frozen foods, fish, and poultry, and so forth. Thus
Helen Hill of Vancouver, Washington, testified that mechanical refrigeration was necessary for cold pack and frozen fruits. The witness Meyers of Hillsboro, Oregon, testified no carrier gives sufficient refrigeration for his cold pack at the present time. The witness Bruce needs proper refrigeration for fish. Dickson testified that mechanical refrigeration was the only satisfactory kind for frozen fruits and filberts, that no other carrier was offering mechanical refrigeration. Another witness testified as to the need of such refrigeration for oysters. Another for dairy products. Another for butter. Other witnesses testified similarly. (See O. N. C. Brief, pp. 30–31.)

Other witnesses stated they had difficulty obtaining service at intermediate points for protestants' trucks came through fully loaded. (See O. N. C. Brief, pp. 37–39.)

The record is therefore replete with public witness testimony going far beyond the factors arising out of the difficulties between O. N. C. and Consolidated pertaining to the interchange arrangement.

ANSWER TO ARGUMENT NO. 8

The Commission's Findings Are Adequate

Protestants object because the Commission does not specifically state existing services are inadequate.

Protestants overlook the fact that the bulk of the traffic
2304 between Portland and San Francisco and intermediate points is transported by applicants O. N. C. and Consolidated. This, in spite of the fact, that these two carriers had difficulties with respect to their interchange arrangements which have resulted in certain deficiencies of service, being one of the reasons why the applications were filed so that the service might be improved. The mere fact that the bulk of the traffic is handled by these two carriers in itself is indicative of the inadequacy of service of other carriers, for if the other carriers are presently performing the type of service which O. N. C. proposes to give, undoubtedly in the ordinary course of business, these carriers would long since have taken from O. N. C. a large proportion of its business. There are other facts, however, pointing clearly to inadequacy of service by existing facilities.

Let us give consideration to the operations performed by these protestants.

First is Los Angeles-Seattle Motor Express. As the Commission clearly pointed out on Sheet 8 of its decision, this carrier does not have authority to serve any but a few of the major intermediate points. Thus the only points served in Oregon for the transportation of general commodities are Portland, Salem, Eugene, Roseburg, and Medford. The only traffic to other intermediate points consists of commodities in lots of 10,000 pounds or more requiring refrigeration, and shipments of fresh, frozen or processed fish from Reedsport, North Bend and Marshfield, Oregon.

Thus this carrier certainly cannot perform a complete serv-
2305 ice for the transportation of general commodities such as is here proposed.

Second is the Pacific Truck Express. As the Commission points out at Sheet 11 of its decision, for some time prior to the hearing herein, Pacific Truck Express operated daily as a common carrier by motor vehicle of general commodities with certain exceptions

between Portland and San Francisco. That carrier has been acquired by Pacific Motor Trucking Company, in turn controlled by the Southern Pacific Company, a rail line, and now acts as pick-up agent for Southern Pacific Company and does not operate a through service between Portland and San Francisco.

Third, is Pierce Auto Freight Lines, Inc. The service of Pierce was generally described in the decision of the Commission at Sheet 10 and Sheet 11. However, in addition to the matters there set forth, the Commission will take notice of the fact that Pierce has leased its operations in California to Valley Motor Lines, Inc. (See Docket No. MC–F–1894, Decision of March 9, 1943.) Thus Pierce does not now operate as a through carrier between Portland and San Francisco and intermediate points, and cannot, therefore, provide the type of service which is proposed by O. N. C. Pierce never was an active participant for the traffic between Portland and San Francisco, and has now retired entirely from the California field.

Fourth is Colletti Fast Freight. As the Commission
2306 points out at Sheet 8 and 9, at the time of the hearing Colletti was engaged in the transportation of general commodities between Los Angeles and Seattle, serving certain intermediate and off-route points. After its applications were determined, this carrier was restricted to serve San Francisco only for dairy products, poultry, fresh, frozen or canned fruits, vegetables, and fish, from specified Oregon and Washington points, but not including Portland or any other Oregon point on U. S. Highway 99, and in shipments weighing not less than 5,000 pounds each from any one consignor. Thus insofar as this carrier is concerned, there has been a definite reduction in the service offered, and the service presently available by this carrier falls far short of providing the type of service proposed by O. N. C.

Fifth, and last insofar as motor carriers are concerned, is System Freight Service, successor to Cascade, Incorporated. This carrier has no adjudicated rights, in the territory involved, at all. Its applications have been the subject of concerted attacks by most of the protestants herein. What, if any, operating authority it will eventually receive through certification by the Commission, cannot be known at this time.

Therefore, there is not one through carrier with established and unquestioned rights providing intermediate point service between Portland and San Francisco. Operations proposed by O. N. C. will provide that service.

2307 In view of this fact, and in view of the increased traffic which protestants themselves allege exists, as we shall hereafter show, can it for one moment be questioned that existing facilities are not adequate to fully respond to the public need, or

that this application should be granted? Protestants would have the Commission believe, that there is a wealth of transportation facilities available. The facts show that such is not the case. Here the pioneer in the field asks the Commission for authority to improve its service by permitting this extension. This is the carrier transporting the bulk of the traffic originating in California. In view of world conditions as they now exist, and as they may be reasonably expected to exist, this applicant confidently asserts that the granting of this application is required by the public convenience and necessity.

Protestants refer to "the carefully prepared charts" which they attached to their brief in the O. N. C. case at page 424, and they complain that the Commission did not give attention to these charts. That we can readily understand. The inaccuracy and misstatements contained in these charts render them entirely useless for the purposes for which they were prepared. We respectfully refer the Commission's attention to the exceptions of O. N. C. dated November 28, 1941, in this proceeding, pages 8 to 41, inclusive, wherein this applicant painstakingly pointed out to the Commission the innumerable errors, omissions, and inaccuracies contained in those charts.

2308 ANSWER TO ARGUMENT NO. 9

This Record Clearly Discloses That Existing Carriers Will Not Be Impaired by the Granting of the Application

Protestants assert that the burden of proof with respect to the impairment issue rests on applicant. No citation of authority is given in support of the statement. The case of Texas and N. O. R. Co. v. Northside Belt Railway Company, 276 U. S. 475, does not contain the quotation cited on page 37 of the petition, and neither does that quotation support the statement that the burden of proof with respect to impairment rests on applicant. As a matter of fact, the issue of impairment is one normally raised by protestants, and naturally the burden of proof would rest on protestants. Protestants alone would be in a position to show the effect, if any, upon their operations of a threatened competitor. The Commission in Peake Oil Company, Contract Carrier Application, 6 M. C. C. 83, at 87, quoted the Commission's decision in House Contract Carrier Application, 1 M. C. C. 725, as follows:

"We may not presume that, because applicants may compete with motor carriers entitled to rights under the 'grandfather'

clause, the interests of the competing motor carriers will be adversely affected to such extent that applicants' operations will be inconsistent with the public interest and the policy of Congress declared in section 202 (a). The mere showing that such competition exists is not enough. The alleged adverse effect must be proved."

2309 In Walter A. Junge, Extension of Operations, 19 MCC–521, at 524, the Commission said:

"Although protestants contend that authorizing applicant to operate between Portland and Seattle will divert existing traffic from the common carriers by motor vehicle, they submitted no evidence to show the adverse effect, if any, that the granting of the authority sought will have upon them. A mere showing that competition exists is not enough. House Contract Carrier Application, 1 M. C. C. 725, 735."

However, not only is the burden of proof on the impairment issue with the protestants, but as a matter of fact, this record clearly shows that no impairment will result. In the first place, as has been shown, some of the protestant carriers engaged only in transporting special commodities, others depend primarily on traffic from and to points not here involved, and therefore there can be no substantial diversion of traffic from such carriers; and lastly by reason of all the facts and circumstances shown in the record with respect to the growth of the territory, increase in population, and increased demand for truck transportation service, and by reason further, that the traffic is now moving over O. N. C.'s lines, in connection with its interchange carrier, so that these protestants are not now enjoying the traffic which will be handled by O. N. C., it is certainly a logical assumption to make that these protestants will not be harmed. As a matter of fact, they are all enjoying increased revenues.

2310 For example, protestants themselves show that they have increased their fleets in substantial measure, which undoubtedly has resulted in increased revenues and earnings. In presenting this data, protestants have, of course, gone outside the record. We have resisted the inclination to provide the Commission with data concerning their increased earnings because it would also involve going outside the record. However, we believe that protestants' statements as to the increase of revenue equipment operated suffices to nullify any contention that there is any threat of impairment in the granting of this application.

At pages 52 to 54 of the petition, protestants specify the numbers of units operated by five carriers at the time of the hearing

and now. These we have set forth, together with percentages of increase in the following table:

Name of carrier	Units at time of hearing	Additional units since hearing	Total units now	Percentage of increase
Los Angeles-Seattle Motor Express	20	9	29	45
Colletti Fast Freight	8	9	17	112.5
Cascade, Inc	8	22	30	275
Pierce Auto Freight Lines, Inc	18	5	23	27.7
Mitchell Freightways	3	8	11	266
	57	53	110	
Total overall percentage of increase				93

2311 Certainly where these carriers have enjoyed a 93% overall increase in the number of units operated, there can be no danger of impairment.

In this connection, the language of the Commission in Standard Freight Lines, Inc., Lease Ralph D. Holt, Docket No. MC–F–1759, 3 F. C. C. 553, decided by the full Commission with five dissents on March 11, 1943, is applicable here. In that case the granting of authority to lease would permit lessee to render a direct service between the Twin Cities on the one hand and Chicago, Detroit and other large cities on the other, traffic which had not theretofore been handled by lessor and lessee. Protestants contended it would be such increased competition that the application should be denied. The Commission said:

"The evidence shows the service and the competitive situation in the affected area. Consideration of that evidence does not indicate that protestants will necessarily lose any considerable traffic to lessee if this transaction is approved and consummated. However, considering the importance of the territory involved, the present demand for increased transportation facilities caused by the war effort, and the traffic potentialities of the territory, we affirm the finding of Division 4 that the evidence does not warrant the belief that the additional competition which would be furnished by lessee would so seriously affect the revenues of protestant as to impair their ability to continue rendering their present service."

2312 ANSWER TO ARGUMENT NO. 10

Applicant O. N. C. Has the Ability to Perform the Proposed Service and Proved it Beyond a Question of a Doubt

There is no question with respect to O. N. C.'s financial status, and its ability to institute and maintain the proposed service. Protestants criticize the Commission for stating that applicant should be given the benefit of the doubt as to whether it could

operate successfully. Protestants claim that they proved there would be an unbalance of lading which would result in financial loss. As a matter of fact, the testimony of J. A. Gritsch clearly showed that, by performing the through service, the present unbalance of lading on the operations of O. N. C. would be greatly relieved, thus tending to increase the net revenues rather than to decrease them. Certainly on the basis of all of the testimony in this record, and on the basis of present conditions, the Commission's finding, that the benefit of the doubt as to the success of the operations should be given to applicant, was justified.

The Commission has, in many cases, held that such benefit of doubt should be given to the applicant. For example, in Cantlay & Tanzola, Inc., Common Carrier Application, 10 M. C. C. 743, at 752, the Commission said:

"In a number of cases the Commission has said in effect that doubt as to the financial success of a proposed operation which appears to be otherwise justified is not grounds for denying the operating authority sought where the applicant is finan-
2313 cially responsible and capable of sustaining any probable loss without in any degree jeopardizing its remaining service. That clearly is the situation here."

And in Hansen Common Carrier Application, 20 M. C. C. 76 at 78, the Commission said:

"The evidence not warranting a finding that applicant either will or will not be able to operate with financial success, he should not be denied the privilege of trying."

ANSWER TO ARGUMENT NO. 11

The Fact That the Record Was Closed on October 29, 1940, Should Not Mitigate Against the Granting of the Application

Protestants argue that the record having been closed October 29, 1940, it is now obsolete and the facts therein of record are untrue. They, therefore, urge a rehearing to produce evidence of the changed conditions.

It is, of course, impossible for the Commission to determine a matter of this kind, wherein a very lengthy record is involved, and where the application is hotly contested, immediately after a hearing is closed. The normal processes of proper administration prevent such a result, desirable as it might be. As a matter of fact, no benefit to protestants aside from the delay involved, could possibly result by having a further hearing to establish new conditions. They frankly admit that the war has caused a
2314 great increase in traffic, as a result of which they themselves

have been forced to acquire large quantities of additional equipment, and institute additional schedules. It could reasonably be assumed that return to peacetime conditions would render the facts of record which pertain to normal operations, more pertinent than perhaps they are today, when wartime operations have so greatly increased the demand for service. Certain it is that the holding of a further hearing would only amplify the record in the direction of showing that public convenience and necessity even more clearly requires the proposed service than it did at the time the record was closed. The Commission took note of this situation in Standard Freight Lines, Inc., Lease Ralph D. Holt, MC F. 1759, from which we have hereinabove quoted. In West Coast Bus Lines, Ltd., M. C. 89037, supra, it was noted that the record had been closed in 1938, the decision was dated October 6, 1942, but the majority opinion clearly showed that the need for the service was still existent.

There is, therefore, no reasonable purpose in holding further hearings in this already lengthy record which has consumed so much time and expense. We assume that should a further hearing be held and the final determination of the Commission again delayed by reason of the severe contest between the parties, we should be faced at that time with a request for a further hearing to again bring the record up to date, thus we would pursue ourselves in circles without ever reaching a final determination. The whole history of O. N. C.'s endeavor to perform the proposed
2315 service now clearly indicates that the time for an ultimate decision has arrived.

Under the subheading "Applicant's Present Service" protestants urge that O. N. C.'s interchange with Oregon Express is providing the type of service here proposed and has eliminated the difficulty of interchange. Nothing could be further from the truth. It is true that Oregon Express and O. N. C. are interchanging traffic, but it is also true that O. N. C. has been endeavoring to acquire Oregon Express for a considerable period of time, hearings and rehearings having been held, and the matter is now pending before the Commission on Exceptions of O. N. C. to an Examiner's report proposing denial. (Dockets No. MC–F–1411 and 1412.) To say the least, the status of this interchange arrangement is nebulous, for should the Commission finally deny the application to purchase Oregon Express, that interchange arrangement may be terminated at the will of Oregon Express at any time. Contrary to the statement of protestants, O. N. C. does not control Oregon Express through the backdoor, or otherwise. Further than that, as we have pointed out in other places in this reply, the difficulties of the prior interchange arrangement with Consolidated did not constitute the only reason prompting the filing and

prosecution of the application, nor did it constitute the only basis of showing public convenience and necessity. All of these factors pertaining to public convenience and necessity still exist. Also,

Oregon Express has very limited authority to serve inter-
2316 mediate points in Oregon. Certain of the protestants contended in the acquisition case that Oregon Express has no authority to serve any intermediate points in Oregon—a view which the Examiner therein shared, so that this interchange cannot provide the complete service such as is here proposed. As a matter of fact, certain of these protestants in the acquisition case even urged that Oregon Express does not have the right to interchange with O. N. C. at Medford, and they are endeavoring to have the Commission so hold, so that the interchange arrangements would have to be terminated. It was on that basis alone that the Examiner on rehearing refused to recommend the application to purchase. It is remarkable the way these protestants can blow hot and cold at the same time. On the one hand they say that Oregon Express, having fully provided the type of service that the public and O. N. C. require, there is no need to grant this application; but in the Oregon Express—O. N. C. case, they say that Oregon Express has no right to interchange at Medford. If that application should be denied, the interchange arrangements would be terminated. We have no doubt that it would best suit protestants' purpose if O. N. C. were eliminated from the field as a carrier entirely. Fortunately, the fate of O. N. C. does not rest in their hands but in the impartial hands of the Commission.

In their subheading pertaining to service proposed, protestants once again reiterate their position with respect to the effect of the rules and regulations of the Office of Defense Transportation. We

feel we have already dealt sufficiently with that subject, and
2317 with the fact that the interchange difficulties do not constitute the only showing of the necessity for the proposed service.

Under the subheading "Shipper Witnesses" protestants go so far as to say that the shipper witnesses in the involved territory are not doing business as usual, and that many of them are in military service. How silly this becomes when, by their own admissions under the next heading, they show how greatly traffic has increased and how much more equipment protestants are now operating than they were at the time of the hearing. In one paragraph, in other words, they would have the Commission reach the conclusion, by inference, that nothing is moving, and in practically the next paragraph they tell the Commission how much they have expanded their service to meet the demands.

Under the subheading "Protestants' Service," general statements as to the number of carriers serving the territory are made. We

have already dealt at some length with the operating authority of the carriers involved, showing that there is not one unrestricted general commodity carrier serving the intermediate points now operating through schedules. As a matter of fact, rather than additional service being provided through operating authority since the hearing, the authority of several carriers has been restricted. The protestants next dwell upon the splendid job that carriers are doing in handling the traffic offered, clearly indicating that the traffic is so heavy that delivery dates cannot be
2318 promised. They further discuss the fact that equipment has been obtained by several of the carriers in substantial amounts to provide sufficient service to help alleviate the great demand and need for further facilities. In other words, there has been such an increased amount of motor carrier shipments since the hearing that these protestants have had to expand their fleets, and still cannot promise delivery dates.

It is interesting to note that mechanically refrigerated equipment has been added by carriers who, at the hearing, scoffed at the necessity for such equipment. They have apparently been educated by O. N. C. as to the desirability of this type of equipment, and have proceeded to lock the stable door after the horse was stolen, for certainly the mere fact that such equipment has been acquired after the public expressed their opinion of carriers for not having such equipment, would not cause the Commission to penalize the applicant by denying authority, when that applicant has been diligent enough to provide the type of service needed and has shown the Commission the benefits of the expanded service offered. However, that is but one factor of the case, and but one element of public convenience and necessity which was shown by this applicant. Protestants' statement that they are somewhat reluctant to admit the extent to which they have over-supplied mechanically refrigerated units is indeed comical. After endeavoring to disparage all of the testimony pertaining to the need for such units, protestants have apparently gone overboard in an endeavor to catch up with the kind of service that the
2319 applicant gives, and now have too much mechanically refrigerated equipment and not enough general freight hauling equipment.

Under the subheading "Public Convenience and Necessity," certain matters are presented some of which we have already covered and we shall not repeat our arguments.

Protestants infer that the movement of frozen fruits and vegetables existing between 1933 and 1939 will not take place this year. It is a matter of common knowledge that the frozen fruit and vegetable industry is one of the most rapidly growing food businesses in the United States by reason of the necessity to pro-

vide a constant source of supply of these commodities throughout the year. The result will doubtless be increased movements of these commodities in the territory involved.

Suffice it to say on this question of public convenience and necessity, that this record abundantly proves the need for the service, wartime conditions have aggravated the need for that service, and any present or prospective interchange arrangements will not provide a solution. The need is for a single-line efficiently operated, flexible service providing intermediate point service and fast schedules, and so operating as to produce maximum service on each schedule with minimum delay. As even protestants' petition shows, O. N. C. has been the leader. It has developed new methods of operation, particularly in the refrigeration field. It has
2320 given the public fast service in the past and may be reasonably expected to do so in the future. Where O. N. C. leads, protestants follow. We have no hesitancy in saying that the institution of this service will benefit the public, not only by reason of the O. N. C. service, but will inevitably tend to improve all competing services. Thus, as these protestants have now improved their refrigeration service, so will they doubtless improve other aspects of their facilities when O. N. C. commences operations as here proposed. All this can be accomplished without in any way impairing the ability of protestants to continue their services. O. N. C. now originates the bulk of the traffic in California, and will reasonably be expected to continue to do so. All carriers now are operating to their capacities and it is beyond the realm of foreseeability to imagine any of these protestants suffering any diminution of traffic. Their only problem will be to transport all of the freight that is offered them.

ARGUMENT

O. N. C. has answered each and every contention raised by these protestants, even those which were so obviously fallacious as probably not to merit attention. O. N. C. urges that regardless of the invidious language used by protestants, the basic facts remain undistorted and invincible. These facts show, (1) the need for the service of O. N. C., (2) that it should be supplied at as early a date as possible, (3) that a further hearing would be a
2321 waste of time, money, and energy when all carriers involved should be devoting their attention to fulfilling the expanded demands for service made upon them. Traffic moving between the points involved has tremendously increased and the proposed service is more needed than ever to keep the freight moving with the least possible delay so that the war effort will not be impeded, nor the civilian economy endangered. By reason of the history of

the operations of O. N. C. it is the pioneer in the field and is now carrying the bulk of the traffic and entitled to continue to do so. No impairment will result to the protestant carriers, or any others. Now is the time, once and for all, to determine this case, and therefore, your applicant respectfully urges that the Commission deny the petition for reconsideration, deny the request for further hearing and postponement for issuance of certificate, and at the earliest possible moment, make effective its decision and issue a certificate conforming thereto.

Dated San Francisco, California, May 19, 1943.

Respectfully submitted.

BEROL & HANDLER,
Attorneys for Applicant,
Oregon-Nevada-California Fast Freight, Inc.

2322 CERTIFICATE OF SERVICE

I hereby certify that I have this day, to wit, the 19th day of May 1943, served the foregoing reply of applicant named herein on all parties of record, by mailing a copy thereof to each of said parties, properly addressed, postage fully prepaid.

Dated San Francisco, California, May 19, 1943.

MARVIN HANDLER,
Of Counsel for Applicant,
Oregon-Nevada-California Fast Freight, Inc.

2324 *Plaintiffs' Exhibit 9*

Interstate Commerce Commission

No. MC-F-1317 [1]

CONSOLIDATED FREIGHTWAYS, INC.—PURCHASE—C. G. REYMERS

Submitted April 17, 1941. Decided April 23, 1941

Applications of Consolidated Freightways, Inc., to purchase certain operating rights of C. G. Reymers, doing business as Reymers Auto Truck Line, and to lease or purchase operating rights and property of O. J. Mitchell, doing business as Mitchell Brothers Truck Line, denied

C. E. Holbrook and Donald A. Shafer for applicant and vendors.

William P. Ellis, Paul P. Farrens, Alfred A. Hampson, Henry T. Ivers, and I. R. Perry for protestants.

[1] This report also embraces No. MC-F-1358, Consolidated Freightways, Inc.—Lease—O. J. Mitchell.

Report of the Commission

Division 4, Commissioners Porter, Mahaffie, and Miller

By Division 4:

Exceptions were filed by protestants to the examiner's proposed report, and applicant and O. J. Mitchell replied. Our conclusions differ from those of the examiner.

By application filed August 14, 1940, Consolidated Freightways, Inc., a Washington corporation, of Portland, Oreg., seeks authority [2] to purchase certain operating rights of C. G. Reymers, doing business as Reymers Auto Truck Line, of Klamath Falls, Oreg., for $5,000. By separate application filed September 21, 1940, Consolidated Freightways, Inc., also seeks authority under section 5 to lease operating rights and property of O. J. Mitchell, doing business as Mitchell Brothers Truck Line, also of Portland, at a rental of $1,000 per month.

These matters were heard separately but, in accordance with the parties' request, were made the subject of a single proposed report. The Southern Pacific Company, its affiliated motor-carrier company, Pacific Truck Express, and the Pacific Southwest Railroad Association opposed both applications; and the Pierce Auto
Freight Lines, Inc., the Los Angeles-Seattle Motor Express,
2325 Inc., and the Medford-Crescent City Truck Lines opposed the application in No. MC–F–1358. Briefs were filed.

Applicant filed a motion to strike protestants' brief alleging, among other things, that it contains material false statements of fact, unsupported by any evidence, unauthorized and prejudicial departures from the record, and certain half truths made in bad faith and calculated to mislead the Commission to the prejudice of applicant. Protestants replied by moving to strike applicant's motion to strike alleging that the latter contains unwarrantedly libelous, scandalous, and impertinent accusations and is in effect an unauthorized attempt on the part of applicant to file a reply to protestants' brief. Applicant answered protestants' motion. Each of the motions is denied.

Protestants request that we take judicial notice of the issues involved in certain proceedings now pending before division 5 which relate to motor-carrier operations over the routes involved in the applications considered herein. Such proceedings include Mitchell's grandfather" application in No. MC–35525, as amended, and extension applications in Nos. MC–35525 (subnumbers 1 and

[2] This application was filed under former section 213, Motor Carrier Act, 1935. The Transportation Act of 1940 incorporated the substance of section 213 in amended section 5 of the Interstate Commerce Act, and the application will be disposed of under the latter section.

2), applications of applicant in No. MC–42487 (subnumbers 15, 18, 19 and 20) for authority to extend its operations southward from Medford and Klamath Falls, Oreg., to San Francisco, Calif., and of Oregon-Nevada-California Fast Freight, of San Francisco, herein called Fast Freight, in No. MC–9115 (Sub. No. 1) for authority to extend its motor-carrier operations northward from Medford and Klamath Falls to Portland. We will take cognizance of the fact that the afore-mentioned applications are pending and of the authority therein sought, but obviously we may not give consideration to any evidence, not incorporated in this record, which may have been adduced in proceedings on those applications.

Pursuant to authority granted under section 210a (b) applicant has leased the operating rights and property of Mitchell for a period expiring April 25, 1941, at a rental of $1,000 per month.

Applicant's corporate history and affiliations are described in Consolidated Freightways, Inc.—Lease—Mont. Transport, 25 M. C. C. 428, and the cases cited therein. In Consolidated Freight Lines, Inc., Com. Car. Application, 11 M. C. C. 131, as modified in 27 M. C. C. 691, issuance of a certificate to applicant was authorized covering operations in interstate or foreign commerce as a motor-vehicle common carrier of general commodities, in California, Oregon, Washington, Nevada, Idaho, Montana, North Dakota, and Minnesota, over regular routes including routes between Spokane, Seattle, Tacoma, Yakima, and Vancouver, Wash., and between those points and Medford, Klamath Falls, and Lakeview, Oreg.; between San Francisco, Calif., and Twin Falls,
2326 Idaho, via Oakland, Sacramento, and Roseville, Calif., with service limitations, including a restriction as to transportation of commodities moving between points in California, on the one hand, and points west of Weiser, Idaho, and Ontario, Oreg., on the other; and of special commodities over irregular routes. Applicant's San Franciso-Twin Falls route, the only route over which it now operates in California, connects at the latter point with its Twin Falls-Portland route.

Applicant's previously mentioned pending applications under section 207 seek authority for extension of its general-commodity operations over regular routes generally between San Francisco, on the one hand, and Medford and Klamath Falls, on the other, via Red Bluff and Redding, Calif.; between Goshen, Oreg., and the junction of Oregon Highway 58 and U. S. Highway 97, approximately 10 miles south of Crescent, Oreg.; between Redding and Ontario, Oreg.; and between San Francisco and Marshfield, Oreg., over U. S. Highway 101, via Eureka and Crescent City, Calif. Applicant's proposed extension of operations between Medford and Klamath Falls, on the north, and San Francisco, on the south,

would be over routes completely duplicating those over which Reymers and Mitchell operate. Applicant owns and operates in excess of 500 motor vehicles.

Applicant's balance sheet as of August 31, 1940, shows assets aggregating $2,147,059, consisting of: Current assets $533,595, principally cash $88,657, accounts receivable, less reserve for uncollectible accounts $266,566, and material and supplies $170,848; carrier operating property, less depreciation, $1,250,271; nonoperating property $14,379; intangible property $176,911; investments and advances, associated companies $86,152 and others $10,044; and deferred debits $75,707, chiefly prepayments. Liabilities were: Current liabilities $489,305, consisting for the most part of accounts payable $274,544; equipment and other long-term obligations $208,749; deferred-payment contracts $260,931; tire contract $27,200; deferred credits $3,060; reserve for employees' insurance $42,867; other reserves $545; capital stock, preferred $500,700 and common $115,380; and earned surplus $498,322. Its income statements for 1938, 1939, and the first 8 months of 1940 show net incomes of $99,375, $164,893, and $155,338, respectively.

No. MC–F–1317.—On August 6, '938, in No. MC–65199, issuance of a certificate to Reymers under the "grandfather" clause was authorized covering operations as a motor-vehicle common carrier in interstate or foreign commerce of (1) general commodities between Sprague River, Oreg., and Klamath Falls over an unnumbered highway and Oregon Highway 66, serving specified intermediate and off-route points; (2) beverages, lard compound, machinery, pipe, hardware, groceries, acetylene and oxygen in
2327 tanks, and carbide in cans, from San Francisco to Klamath Falls, and potatoes and empty barrels and bottles from Klamath Falls to San Francisco, principally over U. S. Highways 40, 99W, 99, and 97, via Red Bluff and Weed, Calif., and over U. S. Highway 99E, via Sacramento and Red Bluff, with service to designated intermediate and off-route points subject to certain restrictions; (3) malt beverages and milk from Eureka, Calif., to Klamath Falls, via Grants Pass, Medford, and Ashland, Oreg., returning with empty barrels and bottles, with service to the intermediate points mentioned; and (4) empty barrels and bottles from Eureka to San Francisco over U. S. Highway 101, with no transportation for compensation on return except as otherwise authorized.

Reymers interchanges some traffic with applicant at Klamath Falls. For several weeks prior to the hearing he had not operated from Eureka to San Francisco, or to Klamath Falls, because a brewery located at the former place had ceased operating.

Reymers' balance sheet as of September 30, 1940, shows total

assets of $4,920, consisting of: Current assets $1,019, composed of cash $784 and accounts receivable $235; and carrier operating property, less depreciation, $3,901. Liabilities were: Sole-proprietorship capital, $4,920. Income statements for 1938, 1939, and the first 9 months of 1940 show net income of $1,823, $1,771, and $3,224, respectively.

Applicant proposes to purchase all of Reymers' above-described operating rights, except those covering the transportation of general commodities between Sprague River and Klamath Falls. It has paid $250 of the purchase price, $1,250 would be payable upon approval of the transaction by us, and the balance of $3,500 would be payable in 12 equal monthly installments, with interest on the unpaid balances at 5 percent per annum.

The purchase agreement, dated July 2, 1940, also provides that applicant, for a period of 5 years, shall employ in its operations a tractor and semitrailer owned by Reymers and pay him for such use 12½ cents per mile operated, subject to a minimum of 200 miles per day except Sundays and holidays. Reymers agrees to operate the tractor and semitrailer (or vehicles substituted therefor) for the exclusive use of applicant between Klamath Falls and Lakeview, Oreg., or such other points as may be agreed upon. Operating and maintenance costs, except insurance and certain State fees, would be borne by Reymers. The vehicles would be operated by Reymers, or by a person selected by him, subject to directions and instructions of applicant's officers and agents. The agreement is not assignable, but in case of Reymers' death certain members of his family could elect to continue operating the equipment under the same terms.

Reymers does most of his own driving, and he averages two trips weekly between Klamath Falls and San Francisco and
2328 Oakland. Approximately 90 percent of his traffic is handled in 10,000-pound lots, on which the rate is on the same hundredweight basis as for 100-pound lots. He is financially unable to expand his transportation service. At least one other motor carrier of property furnishes regular-route scheduled service between San Francisco and Klamath Falls.

If the proposed transaction is authorized, applicant would institute daily service over the acquired routes between San Francisco and Klamath Falls. Through connection at the latter point with its present route, applicant expects to provide second-morning delivery out of San Francisco to Spokane and eastern Washington points. It is also expected that one-half day can be saved in the time required for delivery of shipments moving between San Francisco and points in Montana, now served by applicant over circuitous routes via Twin Falls, Idaho. Considerable evidence was

introduced at the hearing with respect to the rates charged by Reymers in comparison with those of other carriers operating in the territory, it being alleged that the former's rates are a disturbing factor. Other sections of the act afford adequate remedies for the correction of any unreasonable rate situation which may exist, and such questions are not properly for consideration in a section 5 proceeding.

The provisions of the purchase agreement with respect to operation of Reymers' equipment were included at his insistence and to him are a vital part of the contract. He estimates that, after paying a driver's wages, he would make a profit of $12.50 per day therefrom. At such rate his profit would aggregate approximately $19,000 during the 5-year period. Although such estimate appears unduly optimistic, the profit undoubtedly would be substantial. These provisions of the agreement are objectionable from several standpoints. The existence of such an agreement would increase the fixed expenses of applicant by a minimum of $25 per day, exclusive of Sundays and holidays, regardless of whether the equipment is needed or used. We are unable to find that the assumption of such obligation would be consistent with the public interest. Although the proposed arrangement with respect to equipment was referred to by the parties as a lease, such terminology appears inaccurate. Applicant would not be entitled to possession of the equipment, nor would it be responsible for maintaining it in a safe condition. Reymers' status would be that of an independent contractor and not that of a lessor. The driver would not be an employee of applicant, although subject to the latter's instructions. We are unwilling to approve a transaction contemplating such method of operation as an incident thereto. It would seem
2329 that the described terms were incorporated as a means of indirectly increasing the purchase price.

We also are not convinced as to the practicability, from an operating standpoint, of unifying Reymers' and applicant's operations. Considering the limited number of commodities which Reymers is authorized to transport, particularly south-bound, we doubt that profitable operations could be conducted by applicant over the acquired routes on the basis proposed. The evidence shows that, between San Francisco and Klamath Falls, general-commodity carriers suffer from unbalanced lading because a preponderance of the traffic moves northward. The problem would be more acute for applicant because under Reymers' rights it could transport southward between those points only potatoes and empty barrels and bottles. No right to carry shipments moving in intrastate commerce would be acquired in the transaction.

No. MC–F–1358.—Mitchell claims rights pursuant to pending

"grandfather" application[3] in No. MC-35525, as amended, to operate in interstate or foreign commerce as a motor-vehicle common carrier of general commodities over regular routes between Vancouver, Wash., Portland, Salem, Albany, Eugene, Cottage Grove, Roseburg, and Grants Pass, Oreg., on the one hand, and Redding, Red Bluff, Corning, Sacramento, Stockton, Manteca, Oakland, San Jose, Richmond, Colma, and San Francisco, Calif., on the other, with no service between any two points in the same State. Mitchell owns and operates three tractors, three trailers, and three pick-up trucks. He devotes his time to soliciting freight, driving a truck, and assisting in making the repairs which continually are necessary to enable operation of the equipment, all of which is in poor mechanical condition. He has a small staff of employees, including his brother, who is in charge of the San Francisco office and also makes repairs to the equipment there. The terminals used at San Francisco and Portland are rented.

Mitchell's transportation service has not been successful financially. He does not have a bank account, being fearful of attachment thereof by creditors, and has no adequate accounting records. He estimates his obligations at between $15,000 and $16,000, including approximately $11,500 of unsecured debts and $4,500 indebtedness secured by liens upon equipment. The latter is
2330 estimated to have a trade-in value of not more than $9,000 and a sale value of approximately two-thirds that amount. His assets, other than the mortgaged equipment, consist of approximately $1,000 freight charges receivable. During the 2 years preceding the hearing his operations were conducted at a loss with the possible exception of a short period during the spring of 1938 when a small profit was earned. He attributes his operating losses to the extension of his transportation service southward to San Francisco.

Under an agreement dated September 16, 1940, applicant would lease for 15 months[4] all of Mitchell's claimed "grandfather" operating rights, three tractors, two semitrailers, and three pick-up trucks at a rental of $1,000 per month. Applicant agreed to maintain the leased equipment in good mechanical condition, and at the expiration of the lease to return same to Mitchell in a roadworthy condition; to employ Mitchell and his brother as freight agents at salaries of $175 per month plus expenses, and furnish each with a car; and to buy from Mitchell at the expiration of the

[3] The joint board recommended denial of Mitchell's "grandfather" application, but, upon petition, the matter was assigned for further hearing. Subsequently Mitchell filed application in No. MC-35525 (Sub No. 1) under section 207 seeking the same rights claimed in the "grandfather" application, among others, his purpose being to protect any claimed rights not granted under the "grandfather" application. He also has filed application in No. MCC-35525 (Sub-No. 2) under section 207 seeking extension of operations between Weed and Eugene, Oreg., via Klamath Falls.

[4] The period covered by the temporary lease, previously mentioned, would be considered as a part of the proposed 15-month term.

15-month period the operating rights and equipment for $5,000. The purchase is conditioned upon our granting a certificate to Mitchell authorizing present operations between Portland and San Francisco and Sacramento, in the transportation of general commodities. Applicant further agreed to advance to Mitchell, upon grant of any authority by this Commission, sums aggregating $2,500 to enable Mitchell to pay certain of his obligations, such advances to be applied toward the rental payments; to assume any sum in excess of $500 which may become due Mitchell's counsel for services in connection with his certificate applications; and to preserve intact all of the operating rights leased. Mitchell would reserve his intrastate rights and continue operations thereunder. When question [5] was raised at the hearing as to the propriety of applicant's leasing claimed "grandfather" rights duplicating its own in some respects, and preserving both through the single unified operation, it requested that the application be considered as one for authority to purchase the considered operating rights and property for $20,000, including rental paid under temporary authority.

If the lease or purchase is consummated, applicant proposes to abandon the use of Mitchell's rented terminals and to institute daily single-line service between San Francisco and Portland instead of the 2 or 3 trips per week ordinarily made by Mitchell. As its own equipment is better suited for that service, Mitchell's
2331 equipment would be used on other routes. Opportunity would be afforded for all of Mitchell's employees desiring to enter applicant's employ to do so. With inauguration of such single-line service, applicant expects to effect savings of approximately $1,200 per month through elimination of the rehandling of cargoes at Medford, and other savings by reduction in overhead costs and through use of its superior facilities for purchasing supplies and making repairs. Under schedules tentatively planned, service to points north and east of Portland would be improved, and it is expected that there would be a saving of 24 hours in service to Seattle and Tacoma. At least 1 other carrier renders through service between San Francisco and Portland. Under its plans for the improvement of its service as a whole, applicant has acquired or is about to acquire 10 new motor vehicles and is proceeding to acquire a new and larger terminal in the east San Francisco Bay territory. Applicant expects that most of the additional expense which would be incurred would be for increased solicitation, principally at San Francisco and Portland. However, the record contains no reliable estimate of the cost of operating the new schedules.

[5] Compare Consolidated Freightways, Inc.—Lease—Mont. Transport, 25 M. C. C. 428, and cases there cited.

For a number of years freight originating in San Francisco and destined to points on applicant's routes north of Medford and Klamath Falls has been transported by Fast Freight [6] to Medford and Klamath Falls and there interchanged with applicant under joint rate arrangements. Similarly, south-bound traffic was interchanged by applicant principally at Medford and transported to California points by Fast Freight.

Applicant's president was instrumental in forming a nonprofit corporation known as Freightways, Inc., with membership composed of noncompetitive motortruck companies, and having for its purpose improvement of the method of handling interline traffic between its members. Fast Freight declined to join Freightways, Inc. Subsequently applicant filed the afore-mentioned applications under section 207, all seeking operating rights between points on its routes in Oregon and points in California. It also entered into the instant agreements with vendors. Fast Freight has diverted much of its traffic formerly interchanged with applicant to a competitor [7] of the latter at Medford, reducing the daily freight interchanged with applicant. It also has filed application in No. MC-9115 (Sub. No. 1) for authority to extend its operations from Medford and Klamath Falls northward to Portland.

2332 The volume of freight heretofore exchanged at Medford by applicant and Fast Freight has amounted to as much as 60 tons daily, but the average amount has been somewhat less. Those two carriers continue to file joint rates, but applicant feels that Fast Freight is now an unfriendly connection, which favors other motor carriers to applicant's disadvantage.

Protestants contend that in 1937 and 1938 Mitchell abandoned operations, but the instant record shows that he was conducting operations over the routes to be purchased when temporary authority was granted applicant, and all questions as to possible past interruption in service affecting the validity of his claimed "grandfather" rights over such routes are not here in issue, but must be reserved for determination in the "grandfather" proceeding. Books Transp. Co., Inc.—Purchase—Jacobs Transfer Co., 5 M. C. C. 85. Compare also Crichton—Purchase—C. Lewis Lavine, Inc., 35 M. C. C. 661, 663.

Protestants also argue that the transaction should be disapproved because it would result in increasing competition between Portland and San Francisco to the detriment of existing carriers operating between those points, the contention being that Mitchell's operations have not been considered of any particular com-

[6] See Oregon-Nevada-California Fast Frt., Inc.—Consolidation, 25 M. C. C. 203.

[7] In pending section 5 applications, Fast Freight seeks authority to acquire control of such competitor and to merge its operations with its own, No. MC-F-1411, Oregon-Nevada-California Fast Freight, Inc.—Control—Oregon Express; and No. MC-F-1412, Same—Merger—Oregon Express.

petitive significance but that those of applicant under his rights would have a serious effect on their revenues.

The instant transaction, as well as applicant's pending extension applications referred to herein, represent an effort on its part to extend its operations southward over routes generally paralleling those of Fast Freight. The result would be that applicant would carry to destination traffic formerly delivered to Fast Freight (so far as such traffic could be handled under Mitchell's rights) and applicant would obtain at San Francisco and certain intermediate points a considerable portion of the north-bound traffic now moving by Fast Freight and other carriers. The transaction involves more than mere substitution of one operator for another. It also involves questions of public convenience and necessity not distinguishable from those involved, and primarily for consideration, in applicant's pending section 207 applications. Considering applicant's resources and stated plans with respect to expansion of operations, it is apparent that consummation of the transaction would cause Fast Freight and other carriers operating between San Francisco and Medford and Portland to lose a substantial portion of the traffic they are now hauling. The evidence here will not support a finding that the traffic available in the territory considered can support profitable operations both by existing carriers and an additional operator such as applicant. The loss of traffic by existing carriers would be likely to impair their ability to render an adequate service over their routes.

2333 In this connection it should be pointed out that, by reason of the restrictions on Mitchell's rights, applicant would not be authorized to serve many of the intermediate points on the considered routes, and such places would continue to depend for service upon other carriers, while applicant could concentrate on the long-distance through traffic.

In addition to the foregoing, considering the doubtful validity of Mitchell's operating rights,[8] the condition of his equipment, and his past earning record, we are of the opinion that the expenditures which would be required of applicant are not justified. Aside from the fact that fixed payments of $1,350 per month are required under the agreement, the evidence throws considerable doubt on applicant's ability to conduct the proposed operations at a profit, considering the territory and the competition already present. Nothing herein contained is to be construed as prejudicing action on applicant's pending section 207 applications.

We find that purchase by Consolidated Freightways, Inc., of

[8] The record indicates that the parties are somewhat confused as to the nature and scope of the operating rights to which Mitchell may be lawfully entitled under the "grandfather" clause, but our consideration herein is on the basis of the latter's "grandfather" application, as amended May 3, 1938.

the previously described operating rights of C. G. Reymers, doing business as Reymers Auto Freight Line, would not be consistent with the public interest, and that application in No. MC–F–1317 should be denied.

We further find that lease or purchase by Consolidated Freightways, Inc., of operating rights and property of O. J. Mitchell, doing business as Mitchell Brothers Truck Line, would not be consistent with the public interest, and that the application in No. MC–F–1358 should be denied.

An appropriate order will be entered.

PORTER, Commissioner, dissenting:

The application in No. MC–F–1358 is denied on several grounds of doubtful propriety. The report states that Mitchell renders what might be termed a limited service and that applicant, if given those rights, would operate a much larger service and take away from certain competitors some of the traffic they now enjoy. For this reason the report states that questions of public convenience and necessity are involved similar to those in applicant's pending applications under section 207. The majority also find that there is not enough traffic available in the considered territory to support profitable operations both by existing carriers and an additional operator such as applicant.

If this application were approved, the applicant would acquire exactly the rights that Mitchell now has, neither more nor less.

2334 Applicant could not render more service under those rights than Mitchell is entitled to render. Mitchell can now operate to the extent of his ability within the confines of his authority, and that is exactly what applicant will acquire if this application is approved. What effect approval would have on traffic that Mitchell or his competitors now handle is something that the future will reveal, and it cannot be foretold at this time. I do not understand that any particular carriers have a property right in this traffic. This application was filed under section 213, and I do not find in that section any requirement that an applicant must prove public convenience and necessity in a case of this kind. Whether or not there is enough traffic available to support existing carriers and applicant is of no moment as this question is not involved.

The majority also state that the rights of Mitchell are of doubtful validity although earlier in the report it is stated that that question is not involved, but must be reserved for determination in the "grandfather" proceeding. With this last statement I am in thorough accord and have so expressed myself in previous cases.

In my opinion the application, as amended, to purchase Mitchell should be approved, and to this extent I disagree with the report.

2335 ORDER

At a Session of the Interstate Commerce Commission, Division 4, held at its office in Washington, D. C., on the 23rd day of April A. D. 1941

No. MC–F–1317

CONSOLIDATED FREIGHTWAYS, INC.—PURCHASE—C. G. REYMERS

No. MC–F–1358

CONSOLIDATED FREIGHTWAYS, INC.—LEASE—O. J. MITCHELL

Investigation of the matters and things involved in these proceedings having been made, and said division, on the date hereof, having made and filed a report containing its findings of fact and conclusions thereon, which report is made a part hereof:

It is ordered, That the applications be, and they are hereby, denied.

By the Commission, division 4.

W. P. BARTEL, *Secretary.*

2336 ORDER

At a General Session of the Interstate Commerce Commission, held at its Office in Washington, D. C., on the 6th day of October, A. D. 1941

No. MC–F–1358

CONSOLIDATED FREIGHTWAYS, INC.—LEASE—O. J. MITCHELL

Upon consideration of the record in the above-entitled proceeding and of applicant and lessor's petitions, filed June 5 and June 16, 1941, respectively, for reconsideration, including request for oral argument, by the Commission of the decision by Division 4, entered April 23, 1941, in said proceeding, reported in 36 M. C. C. 623, and good cause therefor appearing:

It is ordered, That said petition be, and it is hereby, denied.

By the Commission,

[SEAL] W. P. BARTEL, *Secretary.*

2337 ORDER

At a General Session of the Interstate Commerce Commission, held at its Office in Washington, D. C., on the 5th day of October, A. D. 1942.

No. MC–F–1358

CONSOLIDATED FREIGHTWAYS, INC.—LEASE—O. J. MITCHELL

Upon consideration of the record in the above-entitled proceeding and of applicants' petition, filed July 24, 1942, for reopening and further hearing by the Commission in the matter of the decision by Division 4, in said proceeding, reported in 36 M. C. C. 623, and good cause therefor appearing:

It is ordered, That said petition be, and it hereby, denied.

By the Commission.

[SEAL] W. P. BARTEL, *Secretary.*

2339 *Plaintiffs' Exhibit 10*

INTERSTATE COMMERCE COMMISSION

No. MC–F–1411[1]

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—CONTROL—OREGON EXPRESS

Submitted December 8, 1941. Decided January 28, 1942

Applications of Oregon-Nevada-California Fast Freight, Inc., for authority to acquire control of Oregon Express, and to merge the operating rights and properties of the latter into the former, denied

Edward M. Berol for applicants.
William P. Ellis for protestant.

REPORT OF THE COMMISSION

DIVISION 4, COMMISSIONERS PORTER, MAHAFFIE, AND MILLER

BY DIVISION 4:

Exceptions were filed by Oregon-Nevada-California Fast Freight, Inc., to the proposed report, and protestant replied.

[1] This report also embraces No. MC–F–1412, Oregon-Nevada-California Fast Freight, Inc.—Merger—Oregon Express.

Oregon-Nevada-California Fast Freight, Inc., of San Francisco, Calif., hereinafter called Fast Freight, by application filed November 20, 1940, seeks authority under section 5, Interstate Commerce Act, to acquire control of Oregon Express, of Portland, Oreg., through purchase of its capital stock. By separate joint application concurrently filed, Fast Freight and Oregon Express seek authority to merge the property and operating rights of the latter into the former for ownership, management, and operation. Hearing has been held, at which Pierce Auto Freight Lines, Inc., opposed the application and offered certain evidence.

Fast Freight, a California corporation, is controlled through entire stock ownership by three brothers, J. A. Gritsch, Frank M. Gritsch, and A. H. Gritsch. Its operations in interstate or foreign commerce as a motor-vehicle common carrier of general commodities in California, Oregon, and Nevada, and of special commodities in California and Oregon, are described in Oregon-Nevada-Calif. Fast Freight, Inc.—Purchase—Riley, 37 M. C. C. 233, and cases referred to therein. Its principal regular routes are between San Francisco and Medford, Oreg., via Sacramento and Weed, Calif., between Weed and Ashland, Oreg., via Klamath Falls, Oreg., and between Sacramento and
2340 Elko, Nev., via Reno, Nev., serving specified intermediate and off-route points. It has applications pending under section 207, in No. MC–9115, subnumbers 1 and 6, seeking authority to extend its operations between certain points in Washington, Oregon, and California, including a route between Medford and Portland, Oreg., over U. S. Highways 99 and 99E. Fast Freight operates substantially in excess of 20 motor vehicles.

Oregon Express, also a California corporation, was organized November 7, 1940, to take over the interstate operating rights and physical property of Pacific Seaboard Motor Lines, Inc., hereinafter called Seaboard, and is controlled by R. A. Conyes,[2] president-treasurer, through ownership of all its outstanding capital stock, consisting of 150 shares, $100 par value each. On November 29, 1940, in Nos. MC–FC–14243 and MC–FC–14243–A, Oregon Express was substituted as applicant in Nos. MC–18231 and MC–73412, respectively, in lieu of Seaboard. On March 12, 1938, issuance of a certificate to a predecessor in interest[3] in No. MC–73412 was authorized under the "grandfather" clause, cover-

[2] This individual disposed of his interest in another motor carrier, Conyes Freight Lines, pursuant to authority granted in Heller—Control—Conyes Freight Lines, 35 M. C. C. 721.

[3] C. R. Rush and C. M. Rush, doing business as Grants Pass-Medford Truck Line. Division 5 authorized successive transfers of these rights to C. R. Rush, operating under the same trade name, on April 25, 1940, in No. MC–FC–13264, and to Seaboard, on August 22, 1940, in No. MCS–FC–14243. Subsequently No. MC–18231 (Sub. No. 1) was assigned to the rights so transferred.

ing operations in interstate or foreign commerce as a motor-vehicle common carrier of general commodities between Grants Pass and Medford, Oreg., over U. S. Highway 99, serving the intermediate points of Rouge River, Gold Hill, and Central Point, Oreg. In Bothwell Common Carrier Application, 22 M. C. C. 537, issuance of a certificate to the original applicant [4] in No. MC–18231 was authorized under the "grandfather" clause, covering operations in interstate or foreign commerce as a motor-vehicle common carrier of general commodities between Portland and Los Angeles, over U. S. Highways 99E, 99, 199, and 101, serving the intermediate points of Eureka and San Francisco, Calif.[5]

Seaboard was incorporated in Oregon on July 30, 1940. In August 1940, Fast Freight and its president acquired 47 and 1 percent, respectively, of Seaboard's outstanding stock. Of 2341 the remainder, 51 percent was acquired by Ernest A. Gritsch, a fourth brother, and 1 percent was acquired by the latter's wife. Because of the relationship of the parties, the question subsequently arose as to whether control and management, or the power to exercise control and management, of Fast Freight and Seaboard in a common interest had been effectuated in violation of section 5 (4). In an effort to remove any question of such violation, the interstate rights and physical property of Seaboard were transferred to Oregon Express, which is controlled, as previously indicated, by Conyes. The agreement between Seaboard and Oregon Express, dated November 7, 1940, provides for purchase by Oregon Express of interstate and intrastate operating rights of Seaboard and 12 units of motor-vehicle equipment valued at $15,000 for $39,752, including unpaid obligations on such equipment aggregating $12,752. The sum of $12,000 was payable upon approval of the transfer by this Commission, which was granted November 29, 1940, and $15,000 was to be payable in monthly installments of $1,000, without interest, beginning December 1, 1940. Although this agreement purports to cover intrastate as well as interstate rights, it was testified that Seaboard retained and is conducting intrastate operations between Grants Pass and Medford. In this connection, as part of the instant merger, Fast Freight proposes to acquire such intrastate rights from Seaboard for $2,000, with corresponding reductions in the purchase price due Seaboard by Oregon Express, and in

[4] L. E. Bothwell, doing business as Bothwell Truck Service. On June 6, 1939, in No. MC–FC–30057, division 5 authorized lease of these rights to Frank Battaglia, operating under the same trade name. Subsequently these rights were transferred to Seaboard on August 19 1940, in No. MC–FC–13852, and to Oregon Express on November 29, 1940, in No. MC–FC–14243–A.

[5] As hereinafter indicated, upon the rights granted in Nos. MC–73412 and MC–18231 being unified in Seaboard and subsequently Oregon Express, through service was instituted between Portland and Medford via Grants Pass, although the rights granted in No. MC–18231 do not include authority to serve Grants Pass as a point on the Portland-Los Angeles route. No opinion is here expressed as to the legality of such through operation under the unified rights.

the amount Fast Freight would pay for the stock of Oregon Express.

By agreement dated November 13, 1940, between Fast Freight and Conyes, the former would purchase from the latter all outstanding stock of Oregon Express. The purchase price would be a sum equivalent to Conyes' investment in Oregon Express at the time of consummating the transaction, plus $3,000. As of the date of hearing herein, Conyes had invested $15,000 in Oregon Express. Following acquisition of such stock Fast Freight would take over all assets and assume all liabilities of Oregon Express, and the latter would be dissolved.

Balance sheet of Fast Freight as of January 31, 1941, shows assets aggregating $354,451, consisting of: Current assets $71,270, principally cash, accounts receivable, and material and supplies; carrier operating property, less depreciation, $187,758; noncarrier operating property $175; intangible property $71,471; investment securities and advances, associated companies, $10,000; other investments and advances $100; deferred debits $13,573; and miscellaneous debit items, commission and expense on capital stock, $104. Liabilities were: Current liabilities $56,777, principally accounts payable; equipment obligations $135,000; other
2312 long-term obligations $23,018; capital stock $104,000; and unappropriated surplus, unearned $36,781 and earned (debit balance) $1,125. Its income statement for 1939 shows a net income of $9,317 after deductions of $25,000 for officers' bonuses, but before provision for Federal income tax.

Balance sheet of Oregon Express as of January 31, 1941, shows assets aggregating $56,058, consisting of: Current assets $13,302, including cash $4,274 and accounts receivable $8,392; carrier operating property, less depreciation $32,778; intangible property $8,354; and prepayments $1,624. Liabilities were: Current liabilities $11,080, principally accounts payable $9,228; equipment obligations $12,067; other long-term obligations payable to Seaboard $15,000; reserve for loss and damage $126; capital stock $15,000; and surplus, unearned $3,376 and earned (debit balance) $591. Its income statement for January 1941, the first month of operation, shows deficit of $591.

Pro forma balance sheet of Fast Freight giving effect to the proposed acquisition of control and merger of Oregon Express, as of January 31, 1941, shows assets aggregating $398,932, consisting of: Current assets $72,780, principally cash, accounts receivable, and material and supplies; carrier operating property, less depreciation, $220,536; noncarrier operating property $175; intangible property $79,825; investment securities and advances $10,000; other investments and advances $100; deferred debits

$15,197; and miscellaneous debit items, commission and expense on capital stock $319. Liabilities were: Current liabilities $84,290, principally accounts payable; equipment obligations $147,067; other long-term obligations $28,171; reserves $126; capital stock $104,000; and unappropriated surplus, unearned $36,780 and earned (debit balance) $1,502.

The routes of Fast Freight and Oregon Express connect at Medford and San Francisco. Under present arrangements, through trailers are operated between San Francisco and Portland via Medford, but tractors are changed at Medford. However, because of shortage of equipment, Oregon Express leases from Fast Freight five tractors and five trailers, which are used in the San Francisco-Portland service. The Medford interchange arrangement was in effect between Seaboard and Fast Freight and has been continued by Oregon Express and Fast Freight, despite the fact that at all times Seaboard and Oregon Express had authority to operate the entire distance between San Francisco and Portland, using U. S. Highway 101 to Crescent City, Calif., U. S. Highway 199 to Grants Pass, and U. S. Highways 99 and 99E to Portland. The testimony is that, although operating conditions and mileage over the latter or coastal route are substantially similar to those over the inland route, the operations of Oregon Express call for one schedule per week over the coastal route, while one or more daily schedules are operated over the inland
2343 route in conjunction with Fast Freight. Apart from its alleged shortage of equipment, the record contains no satisfactory explanation for Oregon Express' practice of short-hauling itself on traffic moving between San Francisco and Portland.

If the merger is approved, Fast Freight proposes to operate daily schedules between San Francisco and Portland via both the coastal and the inland route. Without giving effect to the cost of increasing present service to this extent, it is estimated that economies of approximately $1,300 per month would result from the merger. These economies are made up principally of consolidation of soliciting forces at Portland, savings on tariff and advertising expenses, elimination of officials' salaries, single billing and tracing of shipments, and the conversion of the Portland headquarters of Oregon Express into a branch office of Fast Freight. In addition to the authority here sought, Fast Freight has been granted intrastate operating rights in Oregon effective February 10, 1941, between Portland and points in the so-called Coos Bay area in the vicinity of Coquille, which it anticipates would permit more economical use of its equipment south-bound if this transaction is approved.

Protestant, Pierce Auto Freight Lines, Inc., herein called Pierce,

operates between San Francisco and Portland over the inland route used by Fast Freight and Oregon Express, serving intermediate points. It contends that the inauguration of daily service over both the coastal and inland route of Oregon Express by Fast Freight following the merger would result in a substantial loss of traffic by it, and would represent an entirely different use of the rights of Oregon Express than heretofore.

The daily interchange of San Francisco-Portland freight between Fast Freight and Oregon Express amounts to 30 tons northbound and 10 tons south-bound, such unbalanced tonnage being typical of the particular territory involved. The organization of Seaboard by Fast Freight and members of the Gritsch family, the subsequent creation of Oregon Express, and its purchase of Seaboard's interstate operating rights and equipment, were designed principally to provide a favorable carrier connection for Fast Freight as to traffic interchanged at Medford. Prior to that time, Fast Freight had been interchanging the bulk of such traffic with Consolidated Freightways, Inc., herein called Consolidated, which operated between Portland and Klamath Falls via Medford. Such interchange could have been effected with two other motor carriers, Pierce and Pacific Truck Express. Fast Freight considered such interchange undesirable, as Pierce and Pacific Truck Express, together with the latter's parent, Southern Pacific Company, a rail carrier serving San Francisco, Portland, and principal intermediate points, are competitors of Fast Freight. In Oc-
2344 tober 1940, Consolidated was granted authority under section 210a (b) to lease, for a period expiring April 25, 1941, the operating rights and property of O. J. Mitchell, doing business as Mitchell Brothers Truck Line, including a route between Medford and San Francisco duplicating that of Fast Freight.* Such lease permitted Consolidated, for the period specified, to handle to destination traffic formerly interchanged with Fast Freight.

On April 23, 1941, in Consolidated Freightways, Inc.—Purchase—Reymers (embracing also No. MC–F–1358, Same—Purchase—O. J. Mitchell), 36 M. C. C. 623, herein called the Reymers case, Consolidated's application under section 5 for authority to purchase the operating rights and property of Mitchell previously leased, was denied, it being stated, at page 631:

"The instant transaction, as well as applicant's pending extension applications referred to herein, represents an effort on its part to extend its operations southward over routes generally paralleling those of Fast Freight. The result would be that applicant would carry to destination traffic formerly delivered to Fast Freight (so

* Consolidated also has pending in No. MC–42487, subnumbers 15, 18, 19, and 20, applications under section 207 for authority to extend its operations, including a similar route between Medford and San Francisco.

far as such traffic could be handled under Mitchell's rights) and applicant would obtain at San Francisco and certain intermediate points a considerable portion of the north-bound traffic now moving by Fast Freight and other carriers. The transaction involves more than mere substitution of one operator for another. It also involves questions of public convenience and necessity not distinguishable from those involved, and primarily for consideration, in applicant's pending section 207 applications. Considering applicant's resources and stated plans with respect to expansion of operations, it is apparent that consummation of the transaction would cause Fast Freight and other carriers operating between San Francisco and Medford and Portland to lose a substantial portion of the traffic they are now hauling. The evidence here will not support a finding that the traffic available in the territory considered can support profitable operations both by existing carriers and an additional operator such as applicant. The loss of traffic by existing carriers would be likely to impair their ability to render an adequate service over their routes. * * *"

Petition for reconsideration in that case was denied October 6, 1941. In view of the expiration of temporary authority on April 25, 1941, in the above proceeding, Consolidated no longer has authority to operate, by virtue of the lease of Mitchell's rights, over routes paralleling those of Fast Freight between Medford and San Francisco. It thus appears that one of the primary objectives of the instant transaction, namely, to offset any competitive advantage gained by Consolidated through the Mitchell lease and proposed purchase, has been removed. In this connection separate recommended reports and orders of the examiner in Fast Freight's extention application in No. MC-9115 (Sub. No. 1), and Con-
2345 solidated's similar applications in Nos. MC-42487, subnumbers 15, 18, 19, and 20, served September 16, 1941, would deny these applications in their entirety on the ground that neither present nor future public convenience and necessity require the proposed extension of operations.

It is evident that the instant application is but another phase of the previously mentioned competitive struggle engaged in between Fast Freight and Consolidated, and between these carriers and other motor carriers operating between San Francisco and Pacific Northwest points. The fact that Consolidated did not oppose the instant application is of little significance, as Fast Freight did not oppose Consolidated's application to purchase the operating rights of Mitchell, and neither carrier opposed the section 207 application of the other. The instant transaction, as well as Fast Freight's pending extension application, represents an effort on its part to extend its operations northward over routes generally

paralleling those of Consolidated. The result would be that Fast Freight would transport to destination traffic formerly delivered to Consolidated, so far as such traffic could be handled under rights of Oregon Express, and Fast Freight would obtain at Portland and certain intermediate points a considerable portion of south-bound freight now moving via Consolidated and other carriers. This transaction involves questions of public convenience and necessity not distinguishable from those involved and primarily for consideration in Fast Freight's pending section 207 application. The instant application and that section 207 application represent steps taken by Fast Freight to counter similar steps taken by Consolidated, the objective of each being to invade the territory of the other.

In the Reymers case, we found that consummation of that transaction would cause Fast Freight and other carriers operating between San Francisco and Medford and Portland to lose a substantial portion of the freight they are now handling. Conversely, consummation of the instant transaction would cause Consolidated and other carriers operating between Medford and Portland to lose a substantial portion of the traffic now handled by them, as there is no showing that the merger would develop additional traffic, and no shipper-witnesses testified in support of the need for increased service such as Fast Freight would provide in this territory.

It is argued on behalf of Fast Freight that the statutory criterion warranting approval under section 5 is whether the proposed transaction has been shown to be consistent with the public interest. It contends that such burden of proof has been met. However, section 5 (2) (c) of the act requires that in passing upon applications under section 5, such as the instant one, consideration

2346 shall be given, among other things, to the effect of the proposed transaction upon adequate transportation service to the public. Adequacy of service is directly related to the ability of existing carriers to continue their present service. Contrary to Fast Freight's contention, we believe it entirely impracticable, in arriving at an equitable conclusion here, to divorce our consideration of this application from our conclusions in the closely related proceeding in the Reymers case. We believe it necessary also to take cognizance of the circumstances discussed in our report in that case and to recognize the pendency of applications under section 207 filed by both Fast Freight and Consolidated. Extensive proceedings have been held in those cases. We believe the issues present here are so related that they should not be decided affirmatively in advance of determination of those proceedings.

In its exceptions, Fast Freight argues that Conyes assumed control of Oregon Express merely as an investment and as a "friendly act" to Fast Freight's president; that Conyes is without any real interest in the enterprise; and that the result of denial herein will probably be relinquishment of control by him in a manner not requiring our approval. It argues that the effect of acquisition of control of Oregon Express by anyone "operating it from a profit motive" will be the institution of directly competitive operations between Portland and San Francisco, with a loss to Fast Freight of its service as an outlet to the northwest. In our opinion, the operations of Oregon Express, which are presumably independent of those of Fast Freight, should be conducted as a competitive operation, and we do not subscribe to the implications in the above argument that elimination of competition between carriers is a necessary prerequisite to the satisfactory interchange of traffic between them.

We find that acquisition of control of Oregon Express by Oregon-Nevada-California Fast Freight, Inc., through purchase of capital stock and merger of the operating rights and properties of the former into the latter for ownership, management, and operation, would not be consistent with the public interest, and the applications will be denied.

An appropriate order will be entered.

PORTER, Commissioner, dissenting:

This application is denied by the majority for reasons which I think entirely insufficient.

The report states that one of the primary objects of the instant transaction was to offset any competitive advantage gained by Consolidated through the Mitchell purchase; that the latter application was denied; and, therefore, this objective has been satisfied. However, this is only partly true, as Fast Freight, if
2347 it so desired, could have accomplished to same result by withdrawing the instant application. Having failed to withdraw the application, it must be concluded that Fast Freight seeks to expand its present operations by entry into the territory covered by the rights of Oregon Express for additional reasons. The denial of the application of Consolidated provides no statutory basis for the denial of the instant transaction.

It is also stated in the report: "This transaction involves questions of public convenience and necessity not distinguishable from those involved and primarily for consideration in Fast Freight's pending section 207 applications." These applications were filed

under section 5 of the act. I find nothing in that section requiring applicants to prove public convenience and necessity in order to secure our approval of a proposed transaction. We are going far afield when we state that in connection with applications such as those under consideration the same degree of proof as to public convenience and necessity is required as in the case of applications filed under section 207. The degreee of proof required to prove public convenience and necessity is a great deal higher than that required to prove consistency with the public interest. Despite the pronouncements in the report the applications are not denied for failure to prove public convenience and necessity but for an entirely different reason, viz, because they are not consistent with the public interest.

Another reason assigned for disapproving the applications is that approval would cause other carriers to lose traffic. That possibility exists in practically all transactions under section 5. However, approval herein would not enable Fast Freight to render any greater or different service to the public than it is now possible for Oregon Express to render. I repeat what I said in dissenting in the Consolidated case that I do not understand that any of these carriers have a property right in this traffic. And I do not believe that we should attempt to apportion the available traffic among the carriers or indulge in prophecies of this kind. Regulation does not include the right to apportion traffic. The quality of service rendered to the public will do that.

I am in accord with the contention of Fast Freight that the statutory criterion under section 5 is consistency with the public interest. Without overlooking the requirements of paragraph (2) (c) of section 5, it must be conceded that it is not within our province to say which carriers shall live or die. Here we have a proposal that would undoubtedly be beneficial to the public. If that be true, it cannot be said that the transaction is detrimental to the preservation of an adequate transportation service to the public.

2348 I agree with the report in its implications that the finance applications and the section 207 applications should be concurrently consid red. But this result will not be accomplished by piecemeal denial of the finance applications. By first denying the Consolidated application because it will injure Fast Freight, and then denying the Fast Freight application because it will injure Consolidated, we are just going around in a circle.

In my opinion all the applications should be concurrently considered and decided.

2349 ORDER

At a Session of the Interstate Commerce Commission, Division 4, held at its office in Washington, D. C., on the 28th day of January, A. D. 1942

No. MC-F-1411

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—CONTROL—OREGON EXPRESS

No. MC-F-1412

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—MERGER—OREGON EXPRESS

Investigation of the matters and things involved in these proceedings having been made, and said division, on the date hereof, having made and filed a report containing its findings of fact and conclusions thereon, which report is made a part hereof:

It is ordered, That the applications be, and they are hereby denied.

By the Commission, division 4.

W. P. BARTEL, *Secretary.*

2350 Interstate Commerce Commission

No. MC-F-1411 [1]

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—CONTROL—OREGON EXPRESS

Submitted April 22, 1943. Decided October 2, 1943

On further hearing, acquisition of control of Oregon Express by Oregon-Nevada-California Fast Freight, Inc., through purchase of capital stock, and merger of the operating rights and property of the former into the latter, approved and authorized, subject to condition. Prior report, 38 M. C. C. 51

Additional appearances: Fred N. Bigelow and John E. Hennessy for protestants; and Hulen C. Calloway and Arthur H. Glanz for interveners.

[1] This report also embraces No. MC-F-1412, Oregon-Nevada-California Fast Freight, Inc.—Merger—Oregon Express.

REPORT OF THE COMMISSION ON FURTHER HEARING

DIVISION 4, COMMISSIONERS PORTER, MAHAFFIE, AND MILLER

BY DIVISION 4:

Exceptions were filed by Oregon-Nevada-California Fast Freight, Inc., herein called Fast Freight, to the examiner's proposed report on further hearing, and protestants replied. Our conclusions differ from those recommended.

In the prior report, 38 M. C. C. 51, we denied the applications of Fast Freight, of San Francisco, Calif., for authority to acquire control of Oregon Express, of Portland, Oreg., through purchase of its capital stock, and to merge the property and operating rights of Oregon Express into Fast Freight for ownership, management, and operation. Upon petition of Fast Freight and Oregon Express, the matter was reopened for further hearing, which has been held. The applications are opposed by Pierce Auto Freight Lines, Inc., herein called Pierce, a motor carrier, and, at the further hearing and on exceptions, by Pacific Southwest Railroad Association, composed of several railroads and the Railway Express Agency operating in the territory involved, and Pacific Truck Express, a motor carrier. System Freight Service, Colletti Fast Freight, and Los Angeles-Seattle Motor Express, Inc., all motor carriers, intervened at the further hearing, but withdrew opposition to the applications when Fast Freight stated
that it proposes to abandon all service south of
2351 San Francisco, and to request reservation of such rights, if
the transaction is approved.

The history, organization, and operations of Fast Freight and Oregon Express are described fully in the prior report and cases cited therein, and will only be restated here to the extent necessary. Fast Freight is controlled through stock ownership by three brothers of the Gritsch family. It operates as a motor-vehicle common carrier of general commodities, over regular routes, principally between San Francisco and Medford, Oreg., via Sacramento and Weed, Calif.; between Weed and Ashland, Oreg., via Klamath Falls, Oreg., and between Sacramento and Elko, via Reno, Nev. Since the prior report, it has purchased similar rights, principally between Oakland, Calif., and North Bend, Oreg., via San Francisco, and over U. S. Highway 101, pursuant to authority granted in Oreg.-Nev.-Calif. Fast Frt., Inc.—Purchase—Petersen, 39 M. C. C.——.

Oregon Express operates similarly under rights granted its

predecessor, Pacific Seaboard Motor Lines, Inc., herein called Seaboard, in No. MC–73412, between Grants Pass, Oreg., and Medford, over U. S. Highway 99, serving several intermediate points, and in No. MC–18231, between Portland and Los Angeles, Calif., over U. S. Highways 99E, 99, 199, and 101, serving the intermediate points of Eureka and San Francisco. On December 31, 1941, in Nos. MC–FC–15850 and MC–FC–15850–A, substitution of Oregon Express for Marvin L. Dow was approved under section 212 (b), as to operating rights in Nos. MC–18231 (Sub. No. 5) and MC–18231 (Sub. No. 6), between Eugene, Oreg., and Klamath Falls, via Goshen, Oakridge, and Crescent, Oreg., serving certain intermediate points.[2] On September 26, 1942, in Oregon Exp. Extension of Operations, 41 M. C. C. 847, Oregon Express was denied authority to operate over an inland route east of its present coastal route between Portland and Los Angeles.

Under agreement of November 13, 1940, between Fast Freight and R. A. Conyes, owner of all of the outstanding stock of Oregon Express, Fast Freight would purchase such stock for $18,000, a price equivalent to Conyes' original $15,000 investment in Oregon Express, plus $3,000. Thereafter, Fast Freight would take over all assets and assume all liabilities of Oregon Express, and the latter would be dissolved. Employees of Oregon Express would be employed by Fast Freight.

2352 Balance sheet of Fast Freight as of June 30, 1942, shows assets aggregating $421,366, consisting of: Current assets $109,070, principally cash, accounts receivable, and material and supplies; carrier operating property, less depreciation $204,517; intangible property $71,471; investment securities and advances, associated companies, $10,000; other investments and advances $100; deferred debits $26,104; and miscellaneous debit items, commission and expense on capital stock, $104. Liabilities were: Current liabilities $121,054, principally accounts payable; equipment obligations $123,354; other long-term obligations $20,954; capital stock $104,000; and unappropriated surplus, unearned $36,781 and earned $15,225. Income statements for 1941 and the first 6 months of 1942 show deficit of $4 and net income of $20,182, respectively.

Balance sheet of Oregon Express as of June 30, 1942, shows assets aggregating $73,984, consisting of: Current assets $33,414,

[2] On July 8, 1943, in No. MC–18231 (embracing No. MC–18231, subnumbers 1, 5, and 6), a consolidated certificate was issued to Oregon Express, authorizing operations (1) between Portland and Los Angeles via Grants Pass and San Francisco, serving Eureka and San Francisco only as intermediate points; (2) between Grants Pass and Medford, serving several intermediate points; (3) between Eugene and Oakridge, Oreg., serving intermediate points between Goshen and Oakridge, not including Goshen, and certain off-route points; and (4) between Oakridge and Klamath Falls, over Oregon Highway 58 and U. S. Highway 97, serving all intermediate points on Oregon Highway 58 without restriction, and all intermediate points on U. S. Highway 97, restricted to delivery only.

principally cash and accounts receivable; carrier operating property, less depreciation, $25,530; intangible property $12,910; deferred debits $2,114; and miscellaneous debit items, commission and expense on capital stock, $16. Liabilities were: Current liabilities $30,529, principally accounts payable and taxes accrued; advances payable $15,000; equipment obligations $1,621; reserves $269; capital stock $15,000; and unappropriated surplus, unearned $2,577 and earned $8,988. Income statements for the year 1941, the first 6 months of 1942, and the first 7 months of 1943 show net incomes of $2,101, $6,922, and $10,641, respectively.

Pro forma balance sheet of Fast Freight, giving effect to the proposed acquisition of control and merger of Oregon Express, as of June 30, 1942, shows assets aggregating $476,142, consisting of: Current assets $123,276, principally cash accounts receivable, and material and supplies; carrier operating property, less depreciation, $230,047; intangible property $84,381; investment securities and advances, associated companies, $100,000; other investments and advances $100; deferred debits $28,218; and miscellaneous debit items $120. Liabilities were: Current liabilities $158,796, principally accounts payable; advances payable $6,579; equipment obligations $124,976; other long-term obligations $20,954; reserves $269; capital stock $104,000; and unappropriated surplus, unearned $45,345 and earned $15,223. Giving effect income statement for the first 6 months of 1942 shows net income of $43,564. If the instant transactions are approved, Fast Freight proposes to amortize over any period prescribed by us the amount of increase in its "Other Intangible Property" account resulting from the merger. In view of the balance in its surplus account, and following similar action in other cases, our findings
2353 will require that the entire amount of such increase be immediately written off upon consumption of the merger.

Operating rights of Fast Freight and Oregon Express are somewhat more extensive than when considered in the prior report. At that time, the two carriers interlined at Medford approximately 30 tons of freight daily north-bound and 10 tons south-bound between Portland and San Francisco. Since that time, Oregon Express, through purchase, has extended its operations over a route between Eugene and Klamath Falls via Crescent. Similar interline arrangements are now in effect at both Medford and Klamath Falls, and approximately 80 tons of freight are handled northbound daily and about 40 tons south-bound. In this service, the same trucks and trailers are operated in handling truckload shipments, but, under leasing arrangements, control of the vehicles passes at either Medford or Klamath Falls. In connection with less-than-truckload shipments, physical interchange of lading is necessary which delays the movement from 3 to 6 hours.

An even more substantial change in the operating authority of Fast Freight, however, has occurred since the prior report and the proposed report herein on further hearing. In Consolidated Freightways, Inc., Ext.—Klamath Falls, Oreg.,[3] 42 M.C.C. ——, decided March 1, 1943 (petition for reconsideration, further hearing, and postponement of issuance of certificate was denied by the Commission August 2, 1943), hereinafter called the Extension case, division 5 found, subject to conditions, that a certificate of public convenience and necessity should be issued to Fast Freight, authorizing operations over the route, among others, now operated by Oregon Express, between Medford and Portland via Grants Pass and Eugene, and also between Klamath Falls and Goshen, Oregon, via Crescent, serving all intermediate points. In the same proceeding, it was also conditionally found that Consolidated Freightways, Inc., herein called Consolidated, should receive a certificate of public convenience and necessity authorizing operations, over the route, among others, now operated by Fast Freight, between San Francisco and Klamath Falls via Weed, Calif., and between Wood and Medford. As a result of that proceeding, therefore, the competitive situation in the territory will be materially different if those authorized operations are instituted than heretofore considered in the instant proceeding, as Fast Freight will have a direct route between San Francisco and Portland (serving both Klamath Falls and Medford) and Consolidated, which now operates over the same route as Oregon Express between Medford and Portland and between Klamath Falls and Goshen, will also have a direct route between San Francisco and Portland.

2354 If the merger is approved, under unified operations truckload shipments would be handled in much the same manner as now, but without necessity for leasing, in approximately the same volume. It is estimated, however, that economies would be effected by combining the two operations in the amount of (a) approximately $1,800 per month in clerical and overhead expenses at San Francisco, Portland, Medford, and Klamath Falls, and (b) $2,340 per month in over-the-road operations between Portland and certain Oregon points. The overhead savings include simplified billing, manifesting, and rating of shipments, division of revenue, interline settlements, printing, supplies, claim adjustments, tariff, telephone and advertising expenses and legal and auditing expenses necessary for maintenance of a separate corporation. Fast Freight proposes to coordinate its intrastate schedules between Portland and the Coos Bay area of Oregon near Bandon and Marshfield, Oreg., with Portland-San Francisco interstate schedules, by operat-

[3] This report embraces, among others, No. MC-9115 (Sub-No. 1), Oregon-Nevada-California Fast Freight, Inc., Extension of Operation—Portland.

ing a shuttle service between junction of U. S. Highway 99 and Oregon Highway 42 just south of Roseburg, Oreg., and the Coos Bay area. At present, when Fast Freight leases equipment to Oregon Express for the north-bound run between Medford and Portland, certain units return to Medford empty because of the preponderance of north-bound interstate traffic. Fast Freight proposes to utilize this equipment in handling preponderantly southbound Coos Bay intrastate traffic as far as the junction referred to above, thus eliminating the entire haul now necessary between the junction and Portland. It is estimated that approximately 500 road miles per day will be saved by this arrangement. Fast Freight's operating costs for the service involved are computed at about 18 cents per mile, resulting in a saving of $90 per day, or approximately $2,340 per month, based on a 26-day month.

The evidence at the second hearing reflects changes in operating conditions on the Pacific coast since the prior hearing, which have been brought about by the war. As previously indicated, applicants are handling substantially more traffic than before. Statements submitted in evidence show gross revenues for each carrier operating between California and Oregon points, and clearly indicate that all of them handled substantially more traffic in 1941 than in 1940, and that monthly revenue for each of the first 7 months of 1942, with one or two minor exceptions, increased over the preceding month. These revenue figures are for the entire operations of the carriers in question, and the routes of some extend beyond the immediate territory here involved, no segregation being made as to the exact proportion of increase directly applicable to the considered territory. However, other evidence shows that this area, both as to civilian and military traffic, accounts for a large share of the increase.

2355. The principal operations of Oregon Express are in conjunction with Fast Freight over the inland route, and only one schedule per month has been operated over the coastal route. Owing principally to wartime restrictions, but also because of insufficient tonnage and equipment, and requirements of Office of Defense Transportation looking toward conservation of tires and equipment, Oregon Express discontinued operations over the coastal route (U. S. Highways 199 and 101 between Grants Pass and Los Angeles) in July 1942, and, if the instant transaction is approved, Fast Freight intends to petition the Commission for temporary suspension of these operating rights to be acquired over U. S. Highways 199 and 101 between Grants Pass and San Francisco. Such suspension would necessarily apply as well to the present duplicating operation by Fast Freight between North Bend and San Francisco, over U. S. Highway 101, which was recently acquired pursuant to authority granted in Oreg.-Nev.-

Cal. Fast Frt., Inc.—Purchase—Petersen, supra. Fast Freight also stipulated that, upon approval herein, it would immediately seek revocation of all rights covering service previously conducted by Oregon Express between San Francisco and Los Angeles, over U. S. Highway 101. The latter segment is restricted under present conditions to the same extent as the more northerly segment, but it is asserted that there are a number of carriers operating between San Francisco and Los Angeles with which Fast Freight has suitable interline arrangements for handling traffic of Oregon Express, and, in addition, several carriers operate over the entire distance between Portland and Los Angeles, via San Francisco. On the basis of such stipulation, the motor carriers previously mentioned, all operating between Portland and Los Angeles, withdrew opposition to the application.

The propriety of the proposal by Fast Freight with respect to suspension or revocation either of its own rights or those it would acquire from Oregon Express and the reasons therefor are not matters directly for determination in this proceeding. However, in considering the operations to be conducted if the merger is authorized, the intention to discontinue coastal operations temporarily north of San Francisco and permanently south thereof emphasizes that the principal objective of the instant merger, at least as originally conceived by the parties was to establish a single-line through service between Portland and San Francisco via both Medford and Klamath Falls, and that use of the coastal route was and is a secondary consideration.

The chief grounds for denial of the application in the prior report were that approval would injure existing carriers, such as Pierce and Consolidated, and others operating between Portland and Medford and either handling or participating in Portland-San Francisco traffic, by causing them to lose a substantial
2356 portion of that traffic; that no new business would be developed by the merger; and that the service of competing carriers in the territory was adequate.

As previously indicated, traffic of applicants and all other carriers in the considered territory has steadily increased. A representative of Consolidated, which is not a party to this proceeding, testified that, because of increasing volume of business available, his company would not be injured by the merger and consequently does not oppose it. The president and general manager of protestant Pierce, a motor carrier operating over the inland route between Portland and San Francisco, also testified as to the increased traffic but stated that there is a larger increase in intrastate Oregon traffic than in California-Oregon interstate business; that any increases are only temporary during the present emergency; that civilian traffic, which increased in 1940 and 1941 along with

emergency traffic, has begun to decline; and that much of the increase is due to suspension of coastwise shipping, which will be resumed in normal times. This protestant admits that its present traffic will not be appreciably affected by the merger,[4] but attributes that to the fact that approximately the same volume of traffic will be handled by Fast Freight after the merger as has been handled by Oregon Express and Fast Freight prior thereto. In this connection Pierce contends that, ever since the formation of Oregon Express, applicants have been controlled and managed in a common interest and have cooperated closely. In the prior report, it was stated, at page 55:

"The organization of Seaboard by Fast Freight and members of the Gritsch family, the subsequent creation of Oregon Express, and its purchase of Seaboard's interstate operating rights and equipment, were designed principally to provide a favorable carrier connection for Fast Freight as to traffic interchanged at Medford."

Witness for Pierce stated that he had dealt with two members of the Gritsch family in July 1941, regarding arrangements for Pierce to handle Oregon Express traffic from Medford to Portland on Oregon Express billing, provided approval by regulatory authorities was obtained; and that until recently he had always dealt with the several members of the Gritsch family as to Oregon Express matters of all kinds, rather than with employees of Oregon Express who, in his opinion, were figureheads. The traffic manager of one of the interveners testified that, in the latter part of 1941, he negotiated with two members of the Gritsch family relative to traffic concurrences between his line and Oregon Express in connection with traffic to be interlined between the two carriers at Medford, and that subsequently such concurrences were put into effect. It also appears that Ernest Gritsch, formerly employed by Seaboard and now by Fast Freight, repre-
2357 sented Oregon Express at meetings of Pacific Northwest carriers regarding divisions of revenue between connecting lines while employed by Fast Freight.

The Gritsch brothers deny that they have exercised any control or management over Oregon Express, stating that they were merely protecting an important outlet for the traffic of Fast Freight and also supervising equipment leased to Oregon Express by Fast Freight for movements north of Medford. It is freely conceded, however, that the alleged divestment by them of stock control of Oregon Express to Conyes, discussed in the prior report, was an accommodation by a friendly interest, and a tem-

[4] Income statements of Pierce for 1941 and the first 7 months of 1942 show net incomes of $18,935 and $12,777, respectively.

porary expedient pending such time as our approval of the instant transaction could be obtained. With this situation in mind, and considering the suspension of Oregon Express' potentially competitive coastal-route operation between Portland and San Francisco, and the increasing volume of traffic interchanged daily between the two carriers, the preponderance of which is controlled by Fast Freight, any independence of action on the part of Oregon Express in dealing with Fast Freight seems to be a remote possibility. Protestants contend that the unlawful control secured and exercised over Oregon Express is itself sufficient reason to deny this application. We do not agree that this is necessarily true although we do not condone the methods used by the parties as reflected by this record.

It is further contended by Pierce that through operations by Oregon Express, and its predecessor, between Portland and Medford via Grants Pass, are and have been unlawful, and that consequently joint operations by Oregon Express and Fast Freight, between Portland and San Francisco via Grants Pass and Medford, are also unlawful, and such operations by Fast Freight after the instant merger would also be unlawful. Oregon Express' predecessor, Seaboard, took over the operations of two different carriers: That of L. E. Bothwell, doing business as Bothwell Truck Service, under certificate in No. MC–18231, authorizing operations between Portland and Los Angeles, over U. S. Highways 99E, 99, 199, and 101, via Grants Pass, Eureka, Calif., and San Francisco, but serving two intermediate points only, Eureka and San Francisco; and that of C. R. Rush, doing business as Grants Pass-Medford Truck Line, under certificate in No. MC–73412, authorizing operations between Grants Pass and Medford, over U. S. Highway 99, serving the intermediate points of Rouge River, Gold Hill, and Central Point, Oreg. When these two certificates were transferred to Seaboard, and later to Oregon Express, pursuant to approval under section 212 (b), through service was instituted between Portland and Medford via Grants Pass,
although the certificate in No. MC–18231 did not authorize
2358 service to Grants Pass as an intermediate point on the Portland-Los Angeles route. Such through service is the present basis for Oregon Express' connecting-line arrangements with Fast Freight. It should also be noted that the rights which Oregon Express purchased from Dow, pursuant to proceedings in No. MC–FC–15850, on December 31, 1941, between Eugene and Klamath Falls via Crescent, likewise did not correct the defect insofar as through service between Portland and San Francisco, via Eugene and Klamath Falls is concerned, as Oregon Express had no authority to serve Eugene prior to such transfer. However, as previously stated, division 5 has now authorized issuance

of a certificate to Fast Freight, which makes possible a lawful through single-line service by it between Portland and San Francisco over these routes. Hence the question raised by protestant as to the legality of present through service and that proposed by Fast Freight under the merged operating rights has become moot and need not be further discussed.

As previously seen, the operations of Oregon Express are closely identified and cordinated with those of Fast Freight. Due to the dominant north-bound traffic flow controlled by Fast Freight and interchanged between them, as well as other factors heretofore discussed, it is clear that Oregon Express is entirely dependent upon Fast Freight for its existence as an operating entity. Now that Fast Freight has been granted duplicating operating authority into Portland, its use of Oregon Express to reach that point is no longer necessary, and the primary objective of its control of that carrier and of the instant application is removed. As already stated, Oregon Express proposes to discontinue operations over the coastal route, between Grants Pass and Los Anegles via San Francisco, permanently south of the latter point and temporarily north thereof. Regardless of whether or not such discontinuance is effected, should the authority herein sought be withheld, Oregon Express would not have a practical operation, because its principal activity has been the above-described joint through service with Fast Freight, which would now be directly competitive with the newly authorized operations of the latter into Portland. Under this new set of facts, there appears small likelihood that Oregon Express would be able to survive as a separate, independent carrier, unless Fast Freight would be willing to short-haul itself and continue to interchange a substantial volume of freight with it. This appears unlikely if Oregon Express were, in fact, divorced from control or affiliation with Fast Freight. Moreover, it is not apparent, since the grant of authority to Fast Freight in the Extension code, how competing carriers, including protestants herein, will be placed in any materially worse position by this merger, as they will have, nominally, one less carrier with which to compete. Viewed from the stand-
2359 point of economy and efficiency of operations and more expeditious service to the public, the merger would be consistent with the public interest.

On further hearing, we find that acquisition of control of Oregon Express by Oregon-Nevada-California Fast Freight, Inc., through purchase of capital stock, and merger of the operating rights and properties of the former into the latter for ownership, management, and operation, is a transaction within the scope of section 5 (2) (a), and will be consistent with the public interest, and that, if the transaction is consummated, Oregon-Ne-

vada-California Fast Freight, Inc., will be entitled to a certificate covering rights granted in No. MC–18231 and subnumbers 1, 5, and 6, which rights are herein authorized to be unified with rights otherwise confirmed in it, with duplications eliminated; provided, however, that, if the authority herein granted is exercised, Oregon-Nevada-California Fast Freight, Inc., shall immediately write off to its surplus account the amount of increase in its "Other Intangible Property" account resulting therefrom.

An appropriate order will be entered.

Commissioner MILLER dissents.

2360 ORDER

At a Session of the Interstate Commerce Commission, Division 4, held at its office in Washington, D. C., on the 2nd day of October, A. D. 1943

No. MC–F–1411

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—CONTROL—OREGON EXPRESS

No. MC–F–1412

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—MERGER—OREGON EXPRESS

Further investigation of the matters and things involved in these proceedings having been made, and said division, on the date hereof, having made and filed a report on further hearing, containing its findings of fact and conclusions thereon, which report, and the prior report herein, 38 M. C. C. 51, are made a part hereof:

It is ordered, That the order entered herein January 28, 1942, be vacated and set aside.

It is further ordered, That acquisition of control of Oregon Express by Oregon-Nevada-California Fast Freight, Inc., through purchase of capital stock, and merger of the operating rights and property of the former into the latter for ownership, management, and operation, be, and it is hereby, approved and authorized, subject to the terms and conditions set out in the findings in said report.

It is further ordered, That, if the parties to the transaction herein authorized desire to consummate same, they shall (1) notify this Commission, in writing, of the intended consummation date, (2) promptly take such steps as will insure compliance with sections 215 and 217 of the Interstate Commerce Act, and with

rules, regulations, and requirements prescribed thereunder, and (3) confirm in writing to the Commission, immediately after consummation, the date on which consummation has actually taken place.

It is further ordered, That unless the authority herein granted is exercised within six months from the date hereof, this order shall be of no further force and effect.

It is further ordered, That recital in said report of balance-sheet and other financial data shall not be construed as approving accounting methods which have been followed or expenditures represented thereby.

It is further ordered, That, before recording the transaction upon its books, Oregon-Nevada-California Fast Freight, Inc., shall submit the related journal entries, in triplicate, to our Bureau of Motor Carriers for approval.

And it is further ordered, That nothing herein contained shall be construed as a determination of the operating rights of any person or persons under any section of the act except section 5 thereof, as expressly determined herein.

By the Commission, division 4.

W. P. BARTEL, *Secretary.*

2361 ORDER

At a General Session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 10th day of April, A. D. 1944

No. MC–F–1411

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—CONTROL—OREGON EXPRESS

No. MC–F–1412

OREGON-NEVADA-CALIFORNIA FAST FREIGHT, INC.—MERGER—OREGON EXPRESS

Upon consideration of the record in the above-entitled proceedings and of petition of protestants, Pacific Motor Trucking Company, Pacific Southwest Railroad Association, and Pierce Auto Freight Lines, Inc., filed November 18, 1943, for reconsideration by the Commission of the decision by division 4 in said proceedings, reported in 39 M. C. C. 355, and good cause therefor appearing:

It is ordered, That said petition be, and it is hereby, denied.

By the Commission.

[SEAL] W. P. BARTEL, *Secretary.*

2362 *Plaintiffs' Exhibit 11*

This report will not be printed in full in the permanent series of Motor Carrier Reports of the Commission.

Interstate Commerce Commission

No. MC-18231 (Sub. No. 4)

OREGON EXPRESS—EXTENSION—ALTERNATE ROUTES

Submitted May 23, 1942. Decided September 26, 1942

Public convenience and necessity found not to require operation by applicant as a common carrier by motor vehicle, in interstate or foreign commerce, of general commodities, over certain alternate routes between specified points in Oregon and California. Application denied

William B. Adams for applicant.

Arthur H. Glanz, John M. Hickson, Wm. P. Ellis, Thomas J. White, Donald A. Schafer, Henry T. Ivers, Paul P. Farrens, John Gordon Guerin, and Leonard D. Alley for protestants.

REPORT OF THE COMMISSION

DIVISION 5, COMMISSIONERS MAHAFFIE, ROGERS, AND PATTERSON

BY DIVISION 5:

Exceptions were filed by applicant to the order recommended by the joint board and protestants replied.

By application filed May 22, 1941, Oregon Express, a corporation, with its main office at Portland, Oreg., seeks a certificate of public convenience and necessity authorizing operation, in interstate or foreign commerce, as a common carrier by motor vehicle of general commodities, over certain alternate routes, as described in the appendix hereto, in connection with an existing operation between specified points in Oregon and California, with no service at any intermediate points other than those it is now authorized to serve. Certain motor and rail carriers operating in the affected territory oppose the application.

Applicant now is authorized to operate, in interstate or foreign commerce, as a common carrier by motor vehicle of general commodities, over route 1, and of general commodities, with certain exceptions, over routes 2 and 3 as described below:

Route (1) Between Portland, and Los Angeles, Calif.: From Portland over U. S. Highways 99E and 99 to junction U. S. Highway 199, thence over U. S. Highway 199 to junction U. S. High-

way 101, and thence over U. S. Highway 101 to Los Angeles, serving Eureka and San Francisco, Calif., as intermediate points.

2363 Route (2) Between Grants Pass, Oreg., and Medford, Oreg., over U. S. Highway 99, serving Rogue River, Gold Hill, and Central Point, Oreg., as intermediate points.

Route (3) Between Eugene, Oreg., and Klamath Falls, Oreg.: From Eugene over U. S. Highway 99 to Goshen, Oreg., thence over Oregon Highway 58 to junction U. S. Highway 97, and thence over U. S. Highway 97 to Klamath Falls, serving certain intermediate and off-route points.

Applicant represents it desires the proposed alternate route authority, between Portland and Los Angeles, with no service at points it is not presently authorized to serve, for the purpose of reducing its operating expenses and expediting its present service. It argues that its present authority between Portland and Los Angeles via Eureka, hereinafter referred to as the Coast Route, is primarily a scenic highway with many curves and grades and is hazardous and impracticable to use for truck operation. The distance between Portland and San Francisco over this route is 736 miles, whereas the proposed route via Medford is 707 miles and the one via Klamath Falls is 680 miles. The Coast Route between Portland and Los Angeles is 1,169 miles, whereas the proposed route via Medford is 1,169 miles and the one via Klamath Falls is 1,025 miles.

No shippers or other public witnesses supported the application and applicant relies upon the contribution to public safety and to the expediency and economy in operation as a basis for the granting of the authority requested.

From January 1, 1941, to December 31, 1941, inclusive, applicant only operated 13 round trips over its presently authorized Coast Route between Portland and Los Angeles and 15 round trips between Portland and San Francisco. The balance of its traffic moving between Portland and Los Angeles and San Francisco, consisting of approximately 1,830 tons monthly, was interchanged at Medford with Oregon-Nevada-California Fast Freight, Inc., hereinafter called O. N. C., a motor common carrier operating between Medford and San Francisco over the same route for which authority is requested herein.

Applicant uses only one company owned tractor and semitrailer unit in its line-haul operations. The balance of its shipments are transported in equipment leased from O. N. C. No scheduled service is maintained by applicant on its Coast Route, other than over the segment between Portland and Medford, and

the manager of applicant admitted that it is more economical to interchange freight between Portland and California points at Medford with O. N. C., than to transport it over its presently authorized route. He also admitted that the Coast Route only was used occasionally by applicant to preserve its rights as operation over such route is unprofitable. Approximately 65 percent of applicant's traffic is transported on through equipment between Portland and San Francisco under its lease arrangement with O. N. C. If the authority requested herein is granted, applicant proposes to operate daily over the routes described in the
2364 appendix hereto, with no service to points it now is not authorized to serve. It does not intend to abandon its operations over the more circuitous Coast Route.

Applicant maintains that inasmuch as no authority is requested herein to serve any points other than those it is presently authorized to serve that competing carriers will not be unduly prejudiced by the granting of the application and that the authority requested is warranted because of the reduction in the cost of operation which would result from the use of the proposed alternate routes.

The Los Angeles-Seattle Motor Express, Incorporated, a common carrier by motor vehicle of general commodities, operates between Seattle and Los Angeles, over the same routes for which authority is requested herein except that it has no operating rights via Klamath Falls. It serves the metropolitan area of San Francisco and Los Angeles, and numerous other intermediate and off-route points. It operates 48 units of equipment in a daily service, averaging between 80 and 90 round trips per month between the termini.

Pierce Auto Freight Lines, Inc., a common carrier by motor vehicle of general commodities, operates over the proposed routes between Portland and San Francisco, serving all intermediate points and certain off-route points. It uses 45 units of equipment and maintains a daily service. It interchanges traffic moving to and from Los Angeles at San Francisco, with several motor carriers.

A. Colletti, doing business as Colletti Fast Freight, a common carrier by motor vehicle, operates over the proposed routes herein between Seattle and Los Angeles in a daily service, serving San Francisco and Portland, among others, as intermediate points. It operates 30 units of equipment.

System Freight Service, a motor common carrier of general commodities, operates over the proposed routes herein between Portland and Los Angeles in a daily service, operating 37 units of equipment serving all intermediate points. It operates approximately 75 round trips a month between the above-named termini.

Bend-Portland Truck Service, Inc., a common carrier by motor vehicle of general commodities, operates a daily schedule between Portland and Klamath Falls over the same route for which authority is requested herein. It operates 37 units of equipment and interchanges traffic moving to and from California points, with various carriers at Klamath Falls.

All of the above-described motor carriers are in a position to handle additional traffic and are able to add more equipment if the traffic requires it. They contend that applicant, at present, is not a competitor over its authorized Coast Route but if the requested alternate route authority is granted, it would mean the addition of a new carrier over their authorized routes, thereby diverting business from them to their material disadvantage.

In addition to the above-named motor common carriers, numerous other motor common carriers were named as having authority, in whole or in part, to operate over the proposed routes for which authority is requested herein.

2365 Applicant has operated over its authorized Coast Route between Portland and Los Angeles at infrequent intervals only and then merely for the purpose of keeping its operating rights alive. The great majority of its traffic has moved in conjunction with O. N. C. in equipment leased from that carrier and interchange with it at Medford. There is no evidence that the described arrangement has not satisfactorily met the public need; that if the requested authority is granted applicant would be able to give a more expeditious service than that now given by means of the interchange arrangement; or that the present available transportation facilities are inadequate to meet the public demand.

It is clear that the proposed "alternate" routes herein requested are more than that. Applicant by its own admission does not now have a practical route between Portland and either San Francisco or Los Angeles. It cannot effectively compete over its present route with existing carriers using the proposed routes. What it actually proposes is a new service between points already adequately served. On the present record there can be no finding that there is any inadequacy of transportation facilities over the proposed routes. New services such as proposed only can be authorized upon a substantial showing of public convenience and necessity. Applicant has failed to make such a showing and the application should be denied.

We find that applicant has failed to establish that the present and future public convenience and necessity require the proposed operations; and that the application should be denied.

An order denying the application will be entered.

Between Portland, Oreg., and Los Angeles, Calif.: From Portland over U. S. Highway 99E to Junction City, Oreg., thence over U. S. Highway 99 to Goshen, Oreg., thence over Oregon Highway 58 to junction U. S. Highway 97, thence over U. S. Highway 97 to Weed, Calif., then over U. S. Highway 99 to Red Bluff, Calif., thence over U. S. Highway 99W to Davis Junction, Calif., and thence over U. S. Highway 99 to Los Angeles.

Between Davis Junction, Calif., and San Francisco, Calif., over U. S. Highway 40.

Between Goshen, Oreg., and Weed, Calif., over U. S. Highway 99.

Return over the same routes.

2367 ORDER

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 26th day of September A. D. 1942

No. MC-18231 (Sub. No. 4)

OREGON EXPRESS—EXTENSION—ALTERNATE ROUTES

Investigation of the matters and things involved in this proceeding having been made, and said division, on the date hereof, having made and filed a report herein containing its findings of fact and conclusions thereon, which report is hereby made a part hereof:

It is ordered, That said application be, and it is hereby, denied, effective November 12, 1942.

By the Commission, division 5.

[SEAL] W. P. BARTEL, *Secretary.*

A true copy:

W. P. BARTEL,
Secretary of the Interstate Commerce Commission.

2368 *Consolidated Freightways' Exhibit 12*

Before the Interstate Commerce Commission

Docket No. MC–F–1358

IN THE MATTER OF THE APPLICATION OF CONSOLIDATED FREIGHTWAYS, INC., TO LEASE AND PURCHASE THE EQUIPMENT AND OPERATING RIGHTS OF O. J. MITCHELL, D. B. A. MITCHELL BROTHERS TRUCK LINES

Docket No. MC–F–1317

IN THE MATTER OF THE APPLICATION OF CONSOLIDATED FREIGHTWAYS, INC., TO PURCHASE THE OPERATING RIGHTS OF C. G. REYMERS

BRIEF ON BEHALF OF PROTESTANTS, PACIFIC SOUTHWEST RAILROAD ASSOCIATION, SOUTHERN PACIFIC COMPANY, PACIFIC TRUCK EXPRESS, PIERCE AUTO FREIGHT LINES, INC., LOS ANGELES-SEATTLE MOTOR EXPRESS, AND MEDFORD-CRESCENT CITY TRUCK LINES

Alfred A. Hampson, Paul P. Farrens, 800 Pacific Bldg., Portland, Oregon.
Henry T. Ivers, 1405 Hoge Bldg., Seattle, Washington.
I. R. Perry, 612 J Street, Grants Pass, Oregon, Counsel for Protestants.
Wm. P. Ellis, 212 Masonic Bldg., Salem, Oregon.

Portland, Oregon, November 25, 1940.

2376 The Examiner and the Commission should take judicial
2377 notice of certain cases which are now pending before it which relate to motor carrier operations between Medford and Klamath Falls on the one hand, and San Francisco Bay District on the other hand. We do not mean to suggest that in deciding the case at bar the Examiner or the Commission should retry or determine or prejudge the issues in any of these cases—that is neither desirable nor necessary. However, in order for the Examiner and the Commission to appreciate the true relationship of the issues in the case at bar to the operations over the routes above mentioned, it is absolutely necessary that judicial notice be taken of the issues in these other cases without in any

way attempting to decide or determine said issues here; that is to say, what this applicant is seeking to do in the case at bar is directly connected with and related to what this applicant is trying to do in certain other cases and with what Oregon-Nevada-California Fast Freight is attempting to do in certain other cases.

The pending cases the issues in which the Examiner and Commission should give judicial notice are:

2378 The Grandfather Application of Ora James Mitchell (MC–35525);

The BMC–8 Application of Ora James Mitchell (MC–35525–1).

The Application of Consolidated Freightways to extend its operations from Medford and Klamath Falls, on the one hand, to San Francisco on the other hand (MC–42487–15, 18, 19, 20).

The recently filed application of Ora James Mitchell for an extension from Goshen, Oregon, via Oregon State Highway 58 and U. S. Highway 97, to Klamath Falls (BMC number unknown to the writers).

The recently filed pplication of Consolidated Freightways, Inc., for extension fro. ı Goshen, Oregon, via Oregon State Highway 58 to Junction of Oregon State Highway 58 with U. S. Highway 97; and

Application of Oregon-Nevada-California Fast Freight for authority to extend its operations from Medford and Klamath Falls on the one hand to Portland on the other hand (MC–9115–1).

2379

2380 In the Supreme Court of the United States

Statement of points to be relied upon and designation of parts of record to be printed

Filed June 2, 1945

Appellants, United States of America and Interstate Commerce Commission, pursuant to Rule 13, paragraph 9, state that the points on which they intend to rely are all those set forth in their assignment of errors heretofore filed, and designate for printing as necessary to the consideration of the case the entire record as certified and transmitted by the Clerk of the District Court.

Hugh B. Cox,
HUGH B. COX,
Acting Solicitor General.
Daniel W. Knowlton,
DANIEL W. KNOWLTON,
Chief Counsel,
Interstate Commerce Commission.

2381 I certify that a true copy of the foregoing Statement of Points to be Relied Upon and Designation of Parts of Record to be Printed has been mailed this day to the following:

William P. Ellis, Esq., 212 Masonic Building, Salem, Oregon.

Henry T. Ivers, Esq., Hoge Building, Seattle, Washington,

Alfred A. Hampson, Esq., 800 Pacific Building, Portland 4, Oregon,

Edward M. Berol, Esq., 465 California Street, San Francisco, California,

Donald A. Schafer, Esq., 803 Public Service Building, Portland, Oregon, and

Allen Crenshaw, Esq., Interstate Commerce Commission, Washington, D. C.

Dated this 31 day of May 1945.

David O. Mathews,
DAVID O. MATHEWS,
Special Assistant to the Attorney General.

2383 Supreme Court of the United States

Order noting probable jurisdiction

June 11, 1945

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

2385 In the Supreme Court of the United States

Stipulation relating to matters to be eliminated from the printed record

Filed Sept. 13, 1945

It is stipulated by the parties hereto that the following shall govern the printing of the record of the District Court in the appeal in the above entitled cause.

Omit from printing the following:

1. The following parts of Exhibit 1:

All of testimony of witnesses E. H. Lindsey, J. S. Moore, Harold W. Hayes, George S. Butler and Paul P. Farrens.

2. The following parts of Exhibit 2:

Map marked Commission Exhibit 1.

Diagram marked Commission Exhibit 12.

Photograph marked Commission Exhibit 13.

Railway Express Agency directory of stations marked Commission Exhibit 15.

Railway Express Agency supplement to directory of Express Stations marked Commission Exhibit 16.

Resolution marked Commission Exhibit 17.

Resolution marked Commission Exhibit 18.

Resolution marked Commission Exhibit 19.

Resolution marked Commission Exhibit 20.

Resolution marked Commission Exhibit 21.

Resolution marked Commission Exhibit 22.

Resolution marked Commission Exhibit 23.

2386 Resolution marked Commission Exhibit 24.

Resolution marked Commission Exhibit 25.

Resolution marked Commission Exhibit 26.

Resolution marked Commission Exhibit 27.

Document marked Commission Exhibit 31.

Document marked Commission Exhibit 32.

Document marked Commission Exhibit 33.

Document marked Commission Exhibit 34.

Document marked Commission Exhibit 35.

Photograph marked Commission Exhibit 50.

Map marked Commission Exhibit 52.

Map marked Commission Exhibit 53.

Document marked Commission Exhibit 67.

Document marked Commission Exhibit 68.

Document summarizing time and stops via U. S. Highways 99 and 101, with Greyhound Bus schedule attached, marked Commission Exhibit 70.

3. The following parts of Exhibit 3:

All of the testimony of witnesses William C. Ulett, Dick A. King, George Johnson, J. A. Larson, A. C. Street, Virgil R. Chilson, Henry Dolge, Jr., Clifford Edward Kamph, Lowell Walstrom, Jackson W. Kendall, A. M. Kahl, R. T. Moore, Ethan Tonole and I. R. Perry.

4. The following parts of Exhibit 4:

Map marked Commission Exhibit 1.

Document marked Commission Exhibit 6.

Document marked Commission Exhibit 14.

Document marked Commission Exhibit 15.

Document marked Commission Exhibit 16.

Time Table of Central Transfer marked Commission Exhibit 17.

Profit and Loss Statement of Central Transfer marked Commission Exhibit 18.

Document marked Commission Exhibit 19.

Document marked Commission Exhibit 20.

Copy of testimony of W. E. Brannon in Docket MC-9115 Sub. 1, marked Commission Exhibit 21.

Copy of testimony of David A. Gregg in Docket MC-9115 Sub. 1, marked Commission Exhibit 22.

Copy of testimony of J. P. Underhill in Docket MC-9115 Sub. 1, marked Commission Exhibit 23.

Copy of testimony of J. H. Wilsey in Docket MC-9115 Sub. 1, marked Commission Exhibit 24.

Copy of testimony of Arthur W. Lee in Docket MC-9115 Sub. 1, marked Commission Exhibit 27.

Copy of testimony of Don C. Toye in Docket MC-9115 Sub. 1, marked Commission Exhibit 28.

Copy of testimony of J. A. Gritsch on cross-examination in Docket MC-9115 Sub. 1, marked Commission Exhibit 29.

2387 With respect to the portions of Exhibit 4 bearing Commission Exhibit Nos. 21, 22, 23, 24, 27, 28, and 29, it is agreed that there shall be printed as a part of the record the names of the respective witnesses whose testimony is embraced therein, together with the first and last transcript page numbers from Docket MC-9115 Sub. 1.

5. All of Exhibit 12, save and except the cover page thereof and that part thereof beginning with the next to the last line on page 5 and extending to but not including the last paragraph on page 7, which described portions shall be printed.

With the above exceptions the entire record now on file shall be printed in the customary manner.

It is further stipulated and agreed that counsel for any of the parties may in his brief or argument refer to any testimony or Exhibit or portion thereof introduced in evidence before the Interstate Commerce Commission in Docket No. MC-9115, Sub. 1, or Docket No. MC-42487, Sub. Nos. 15, 18, 19, and 20, or in the

District Court that is not included in the printed transcript of the record in this Court.

HAROLD JUDSON,
Acting Solicitor General.
ALLEN CRENSHAW,
Attorney, Interstate Commerce Commission.
DONALD A. SCHAFER,
Attorney for Consolidated Freightways, Inc.
DONALD A. SCHAFER,
Attorney for Oregon-Nevada-California Fast Freight, Inc.
ALFRED A. HAMPON,
Attorney for Pacific Motor Trucking Company, a Corporation, and Pacific Southwest Railroad Association.
HENRY T. IVERS,
Attorney for Los Angeles-Seattle Motor Express, a Corporation.
WM. P. ELLIS,
Attorney for Pierce Auto Freight Lines, Inc., and Angelo Colletti, d. b. a. Colletti Fast Freight.

[Endorsement on cover:] Enter The Attorney General. File No. 49720. Oregon D. C. U. S. Term No. 1267. The United States of America, Interstate Commerce Commission, Consolidated Freightways, Inc., et al., Appellants vs. Pierce Auto Freight Lines, Inc., Los Angeles-Seattle Motor Express, Angelo Colletti, Pacific Motor Trucking Company, et al. Filed May 14, 1945. Term No. 74 O. T. 1945.

U. S. GOVERNMENT PRINTING OFFICE: 1945